DAILY REPORT

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SUNDIC ON U.S. CSCE 'PROCRASTINATION'

LD131519 Zagreb Domestic Service in Serbo-Croatian 1300 GMT 13 Jul 83

[Text] After this news bulletin there follows our topical foreign political commentary. Why is the United States dragging its feet on signing the Madrid declaration? Is what is at stake major objections to the already established text, or is it something else? Milika Sundic:

Apparently the anticipated signing of the final document of the Madrid CSCE conference will not be performed at the end of this month as envisaged, but in September or possibly even later. The United States has raised objections to the text of the declaration largely composed by nonaligned and neutral countries of Europe, which to all intents and purposes has already been agreed on by all 35 delegations at the Madrid meeting.

The news that the United States is unwilling to sign the concluding document in its present form came like a bolt from the blue. Until yesterday, it was thought that Kampelman, head of the U.S. delegation at the Madrid conference, had not gone to Washington to coordinate the text of the final document, but to take part in the White House and State Department preparations for the Gromyko-Shultz meeting. The meeting of the foreign ministers has been talked about a great deal recently and the idea of an Andropov-Reagan meeting has also been bandied about.

What attracts special attention concerning the Washington news that the final document of the Madrid conference will not be signed by the end of this month is the fact that the United States raised its objections to the text of the declaration at the time of Hans-Dietrich Genscher's visit to Washington to brief Reagan and Shultz on the result of Kohl's recent 4-day visit to Moscow. What happens is that among the countries taking part in the Madrid meeting which are working for a speedy conclusion to the Madrid conference and for a Gromyko-Shultz and Reagan-Andropov meeting, is the FRG. Let us recall that Kohl returned from the USSR with the conviction that Yuriy Andropov wanted to meet President Reagan and that the USSR does not think that the Geneva talks on Euromissiles are devoid of any prospect for success. For this reason the question is asked: What is behind U.S. procrastination in signing the Madrid conference final document by the end of the month?

It would appear that what is at stake is not so much the document, because Kampelman has already accepted it, but rather, in our assessment, a U.S. attempt to extract fresh concessions from the USSR in Geneva. Among other things, there are the British and French medium-range missiles which the Soviet side, not without reason, is viewing as an integral part of the nuclear missile potential of the NATO member countries, a view which is not accepted by the United States, and even less by France and Great Britain. Whether the USSR is ready for concessions in return for the West's renunciation of installing U.S. Pershing and cruise missiles, very few people know at this point. Nor is it known why Kampelman's stay in Washington was extended for 1 day. Does it mean that the United States is also aware of the possible consequences if the Madrid declaration is not signed by the anticipated deadline and also of possible complications with its allies, or does it mean, as we have already said, that Washington is simply trying to get more out of both Madrid and Geneva than Moscow is prepared to accept at this moment?

In any case, whatever is behind it, the delay in signing the Madrid conference final document will have a very negative effect on the situation in Europe and the world, especially since people had been constantly saying that the marathon Madrid meeting was on the threshold of a successful conclusion.

HUNGARIAN ENVOY ON GENEVA DISARMAMENT TALKS

LD121234 Budapest MTI in English 1026 GMT 12 Jul 83

[Text] Geneva, July 12 (MTI) -- Addressing the Tuesday plenary session of the Geneva Disarmament Commission, Ambassador Imre Komives, head of the Hungarian delegation, stated that imperialist endeavours to acquire military superiority are the main cause of sharpening international tensions. He stressed the importance of the proposals that were presented by party and state leaders of seven European socialist countries as a result of their recent conference in Moscow, and expressed the hope that the governments concerned will study in depth the proposals and respond genuinely.

Imre Komives voiced his concern over the reluctance of certain delegations to the Geneva Disarmament Commission to hold concrete talks on pressing issues of disarmament and urged serious negotiations on the prevent of nuclear war, complete ban of nuclear tests, prohibition of chemical weapons, and demilitarization of outer space.

FRG FOREIGN MINISTER GENSCHER BEGINS VISIT

Received by Mladenov

AU131817 Sofia BTA in English 1755 GMT Jul 83

[Text] Sofia, July 13 (BTA) - Mr Hans-Dietrich Genscher, vice federal chancellor and federal minister for foreign affairs of the FRG, arrived here today on an official visit at the invitation of Mr Petur Mladenov, the Bulgarian minister of foreign affairs.

The preliminary programme of Mr Genscher's visit schedules meetings and talks with Mr Todor Zhivkov, president of the State Council, Mr Grisha Filipov, chairman of the Ministerial Council, Mr Andrey Lukanov, deputy chairman of the Ministerial Council and with Mr Petur Mladenov, minister of foreign affairs.

At the airport of Sofia, Mr Genscher was welcomed by Mr Petur Mladenov and senior officials from the Ministry of Foreign Affiars.

"My visit to Bulgaria is taking place in a particularly important and difficult international situation, in which we must use every chance for a dialogue" said Mr. Hans-Dietrich Genscher upon arrival. "Such a chance lays open to us in Sofia now. No problems, whatsoever, stand in the way of Bulgaro-FRG relations. These relations rest upon a broad basis of trust".

Reagan, Andropov Meeting Urged

LD131631 Hamburg DPA in German 1501 GMT Jul 83

[Text] [no dateline as received] -- At a dinner given by Foreign Minister Mladenov, Genscher again called for a meeting between President Ronald Reagan and Soviet state and party leader Yuriy Andropov. He said that the Federal Republic believes that such a meeting would serve the great goal of promoting cooperation, detente, and disarmament.

Genscher described the CSCE process as one of the most hopeful starting points for solving joint tasks of East and West by means of cooperation and for settling and defusing problems between them through give and take. Security and cooperation also mean people in all participating states being able to exercise their human rights, cultivating human contacts abroad and leaving their own country and returning to it at any time. It is especially here that the will to implement consistently the Helsinki Final Act must prove itself, Genscher said. "It is here that the signatory states are being put to the test."

Genscher said that relations between the Federal Government and Bulgaria, 10 years after the establishment of diplomatic relations, have reached a solid and good state. This is one of the positive results of the treaties and accords signed in the 1970s that have continued unchanged as the basis of the Federal Government's policy.

COOPERATION DISCUSSED WITH CUBAN MINISTER LAGE

Reception by Lukanov

AU081928 Sofia BTA in English 1847 GMT 8 Jul 83

[Text] Sofia, July 8 (BTA) -- Mr Andrey Lukanov, candidate-member of the Politburo of the CC of the BCP, deputy-chairman of the Ministerial Council and chairman of the Bulgarian side of the joint government Bulgaro-Cuban Commission for Economic and Techno-Scientific Cooperation, today received Mr Marcos Lage Coello, minister of mechanical engineering and metallurgy of Cuba.

In the course of the talks they stated that in the current five-year period cooperation between Bulgaria and Cuba is developing successfully. Discussed were its prospects and the measures for its further expansion.

Protocol Signed

AU081932 Sofia BTA in English 1855 GMT 8 Jul 83

[Text] Sofia, July 8 (BTA) -- The cooperation in car-making, manufacture of metal-cutting machines, farm machinery and machines for the food industry is very promising between Bulgaria and Cuba, as well as in the training of technical specialists for the needs of the Cuban economy.

It has been planned to set joint organizations for the manufacture and marketing of motor trucks on the basis of some production capacities to be built in Cuba. The two countries will cooperate in the production of storage batteries, farm machinery (mainly for tobacco-processing), cold store facilities, lines for the processing of vegetables, hydraulic elements, etc.

These are the chief trends in bilateral cooperation featured in the protocol signed here tonight on the agreements reached by the minister of machine-building and metallurgy of Cuba, Mr Marcos Lage Coello, and the minister of mechanical engineering and electronics of Bulgaria, Mr Toncho Chakurov.

RADIO REPORTS LEADER APPEARANCES 3-9 JUL

AU091416 [Editorial Report] Sofia Domestic Service in Bulgarian, in its newscasts between 3 and 9 July, notes the following appearances by Bulgarian leaders (time and date of broadcast noted in parentheses):

Pencho Kubadinski, BCP Central Committee Politburo member and chairman of the Fatherland Front National Council, attended a Khaskovo Okrug conference on the development of socioeconomic measures in the okrug (0900 GMT 6 July).

Georgi Yordanov, BCP Central Committee Politburo candidate member, deputy chairman of the Council of Ministers, and chairman of the Committee for Culture, attended a nationwide conference of cultural committee secretaries held in Sofia (0900 GMT 7 July).

Petur Dyulgerov, BCP Central Committee Politburo candidate member and chairman of the Bulgarian Trade Unions Central Council, attended an okrug trade union meeting in Burgas (1300 GMT 8 July).

Dimitur Stanishev, BCP Central Committee secretary, received Leticia Herrera, head of a Nicaraguan delegation visiting Bulgaria (1300 GMT 8 July).

Milko Balev, Politburo member and secretary of the BCP Central Committee, inaugurated a monument in the town of Pravets dedicated to deceased partisans (1730 GMT 8 July).

Stanko Todorov, BCP Central Committee Politburo member and chairman of the National Assembly, attended a meeting in Pernik Okrug devoted to the 40th anniversary of the establishment of the Turn partisan detachment (0900 GMT 9 July).

DEFENSE MINISTER DZUR RETURNS FROM USSR

AU121038 Prague RUDE PRAVO in Czech 11 Jul 83 p 2

[Text] Prague, 10 Jul (CTK) -- Army General Martin Dzur, CPCZ Central Committee member and CSSR minister of national defense, returned this Saturday from his official friendly visit to the Soviet Union. The visit took place at the invitation of Dmitriy Ustinov, CPSU Central Committee Politburo member, USSR minister of defense, and marshal of the Soviet Union.

At Ruzyne Airport, Army General Martin Dzur was welcomed by Colonel General Karel Rusov, CSSR first deputy minister of national defense, and by other representatives of the Czechoslovak People's Army.

Aleksandr Botvin, USSR ambassador to the CSSR, and Major General Yuriy Chelpanov, military and air attache at the Soviet Embassy in the CSSR, were also present. The welcome was also attended by Colonel General Ivan Voloshin, senior representative of the commander in chief of the Allied Armed Forces of the Warsaw Pact member states attached to the CSSR Ministry of Defense.

OFFICIAL DISCUSSES CHURCH-STATE RELATIONS

LD131241 Prague International Service in Czech and Slovak 2230 GMT 12 Jul 83

[Text] Lately we have witnessed many campaigns in the West in which bourgeois information media have distorted the situation of believers in the CSSR. This question has also been raised repeatedly in your letters, esteemed listeners. You have also asked us what was in fact the position of churches in Czechoslovakia and what rights and freedoms believers have in this country. This is why we have called on Vladimir Janku, who is in charge of church affairs in the CSSR and who gave us the following briefing:

[Begin recording] [Janku] There is a total of 18 churches operating in Czechoslovakia. They have their believers and their priests. There is in Czechoslovakia a total of approximately 1,200 lay preachers. In Czechoslovakia, we have approximately 8,200 churches of various types. The cost of repairs to these churches is borne in large part by the state. I recently had the opportunity to visit very interesting churches, for instance in eastern Slovakia, where around 80 new churches have been built during recent years. Large sums of money are being spent there on the reconstruction of the Kosice Dome, which is of enormous historical value. In addition, as I have already said, our priests are normally paid by the state; they also receive pensions -- they are simply accorded such security like the rest of the population.

The basic starting point governing our relations, that is, relations of the socialist state with churches and believers, is the fact that believers are an inseparable part of our people, those very people who are building a socialist society, and the churches, too, in this context, have their legitimate place in our country. In our country there is not merely a complete equality of churches, in contrast to what I would term a privileged position of churches in non-socialist countries. At the same time, in our country there is complete equality between believers and atheists, which we also regard as an important gain. In a number of countries, for instance in the West, we encounter a situation in which those who do not expressly profess a certain religion are regarded as being somewhat second-rate. If we are to have a full, democratic equality, there must be equality not only among churches but also among believers and non-believers.

In any case, there is a law that has been operating in Czechoslovak since 1954 whereby the religious beliefs of anyone are that person's private business. He can freely profess such religion, he can freely attend church services, and share freely in the relevant activities of the churches.

There operate in Czechoslovakia a total of six theological schools, the cost of which is naturally also being met from state funds.

[Question] Lately there has been talk in the West saying that the attitude of the socialist state toward churches in Czechoslovakia has hardened. How does Vladimir Janku assess this fact?

[Answer] It is not the attitude of the socialist state toward churches and believers that has hardened, but rather the line of hostile propaganda that has hardened very sharply in this respect. Yes, it is true that lately hostile propaganda has been able to invent the most outrageous lies, slanders, and attacks in its attempt to muddy relations between the state and churches. Recently, for instance, it was said in Vienna that some kind of permanent struggle is going on between the state and the church. I myself spoke about this question with a large number of the highest representatives of our churches, including Roman Catholic bishops. We were in complete agreement in reaching a common conclusion that here, I would say, the wish is father to the thought, that these circles, who hate socialism and at the same time support the current militaristic line of American foreign policy, wish that such a permanent struggle would take place in Czechoslovakia. Our interest is directly opposite.

Another, almost bizarre matter has cropped up. Not so long ago Western information media carried a "hair-raising" report that the Roman Catholic cardinal of Prague had received a letter, signed by several thousand citizens, protesting the conduct of the state toward the church. I had the opportunity the next day of talking to the cardinal and it was shown that the cardinal had not received any letter, which speaks for itself. But even if similar action had been organized, how was it possible that Western information media knew about this matter earlier than the addressee of such an action? Whose action was this, in fact?

[Reporter] It is a well-known fact that the extreme reactionary forces in the West have been trying to misuse churches against not only socialism but also world peace. Vladimir Janku has had this to say about this.

[Janku] The United States would like to create something that it describes as the so-called independent peace movement under the leadership of the churches. Its independence would lie in the fact that it would be detached from cooperation with the socialist countries and with progressive circles in general and would be directed against socialism. It is no coincidence that one of the most antipeace, warlike speeches was delivered by American President Reagan at the congress of the so-called American Evangelists, which he used as a platform to call on the representatives of this church to preach from the pulpits a struggle against, for instance, the freeze on nuclear weapons. In essence, he called on the churches to place themselves at the head of the world struggle against the peace movement, for nuclear weapons, for the further feverish arms race. It is, of course, necessary to say that this idea has not found any support among a large part of the representatives of churches the world over and that they continue to involve themselves significantly and very positively in the world struggle for peace. [end recording]

COMMUNIQUE ON MSZMP CC 6 JUL SESSION PUBLISHED

AU131000 Budapest MAGYAR HIRLAP in Hungarian 9 Jul 83 pp 1-2

["Communique on the 6 July Session of the MSZMP Central Committee"]

[Text] The MSZMP Central Committee held a session on 6 July 1983 presided over by Comrade Janos Kadar. In addition to the members of the Central Committee, the following participated in the session: heads of the departments of the Central Committee, first secretaries of the county party committees, secretaries of the Budapest party committee, the chairman and secretary of the Central Control Committee, secretaries of the National Trade Union Council, members of the Council of Ministers, the chairman of the National Material and Price Office, the chairman of the Central Statistical Office, the chairman of the Hungarian Post Office, the chairman of the Council Affairs Bureau of the Council of Ministers, secretaries of state of the Ministry of Industry, leading members of the staff of the Department of Economic Policy and the Department of Public Administration and Administration of the Central Committee, and heads of the central press.

The Central Committee discussed and approved:

a report submitted by Comrade Peter Varkonyi, secretary of the Central Committee, on topical international issues;

a proposal submitted by Comrade Mihaly Korom, member of the Politburo and secretary of the Central Committee, to further develop the electoral system;

a report submitted by Comrade Lajos Mehes, member of the Politburo and minister of industry, on the position and tasks of industry; and

a briefing submitted by Comrade Ferenc Havasi, member of the Politburo and secretary of the Central Committee, on experiences in the development of the people's economy at the beginning of the year.

I.

The Central Committee reviewed the development of the international situation and the foreign political activity of party and state organs.

1. The Central Committee concluded that imperialist endeavors to obtain military superiority and to intensify the arms race continue to aggravate the international situation. These endeavors gravely endanger world peace and, irrespective of social system, are at variance with the most fundamental interests of all peoples.

The Central Committee stressed that in this situation the conference recently held in Moscow with the participation of party and state leaders of seven European socialist countries was of particular significance. The Central Committee listened to a report on the meeting and approved the activity of the Hungarian delegation.

It expressed its agreement with the stance of the countries that participated in the meeting, according to which they can by no means permit extremist imperialist circles to upset the historically developed military balance of power and thereby obtain superiority. Not only do the security of the socialist countries and the protection of socialist achievements demand the preservation of the balance of power, but doing so is in compliance with the interests of mankind as a whole as well.

The Central Committee highly valued the fact that the participants in the meeting reaffirmed the constructive initiatives of the Warsaw Pact Political Consultative Committee laid down in its 5 January 1983 Prague declaration. It noted that the planned deployment of U.S. intermediate-range missiles in West Europe would involve grave military and political consequences primarily for Europe, but for the whole world as well. Therefore, together with our allies we come out for a balanced reduction of intermediate-range nuclear missiles, a reduction that guarantees an equal security of the sides.

The Central Committee welcomes the Soviet proposal to freeze nuclear arms stockpiles and agrees that direct talks should be initiated without delay on freezing military expenditures from 1 January 1984 and subsequently reduce them. We highly value the commitment unilaterally assumed by the Soviet Union that it will not use nuclear weapons first. It would greatly enhance European and world security if the nuclear powers that have not yet done so also assumed this commitment.

A substantive response to the socialist countries' initiatives by the NATO countries is indispensable for reducing international tension. The Warsaw Pact countries disapprove of resolving disputed issued by military force and continue their efforts with all political and diplomatic means at their disposal to assert the principle of peaceful coexistence in practice. They are convinced that it is possible to reach agreement at the talks devoted to arms limitation if the negotiating sides mutually observe the legitimate security interests of the countries concerned.

Also in the past period, the Hungarian People's Republic pursued its activity in the spirit of the Helsinki agreement to preserve the achievements of the detente process. Our delegation represents the aspirations laid down in the Helsinki Final Act at the Madrid meeting as well. A successful conclusion of the conference has come realistically close, and the Hungarian People's Republic is prepared to do everything to foster this. Success of the meeting would, consistent with the interests of all the peoples concerned, promote a continuation of the Helsinki process, the cause of detente and cooperation in Europe, and the strengthening of trust and security.

The Central Committee appraised with appreciation the work of the world meeting "For Peace and Life, against Nuclear War" that was recently held in Prague. The extensive range of the participants in the conference and their agreement manifest in the most fundamental issues proved that throughout the world people, movements, and organizations of the most diverse world outlook and party affiliation are prepared to act jointly against the arms race and in favor of a limitation of nuclear and conventional weapons for disarmament and peace.

2. The crisis points that have developed in various areas of the world are a grave burden on the international situation. The Central Committee champions a settlement of conflicts through negotiations. It emphatically reaffirmed that a complete and unconditional withdrawal of the Israeli troops from Lebanon and the previously occupied Arab territories ensuring the right of the Palestinian Arab people to create their own independent national state and guaranteeing the independence and security of all the countries of the area constitute an indispensable prerequisite for a comprehensive and just settlement of the Middle East crisis, which is protracted and becoming increasingly complicated.

The Hungarian People's Republic supports the peoples and movements struggling against imperialism, neocolonialism, and racial discrimination and their liberty and their right to an independent development. The Central Committee reaffirmed the Hungarian people's solidarity with the Cuban and Nicaraguan people defending their countries' independence and revolutionary achievements.

3. The Central Committee stressed that the socialist countries' collaboration and multifaceted cooperation plays a great role in the accomplishment of the tasks of socialist construction and the realization of our national aspirations. The interparty and interstate meetings that came about in recent months have strengthened relations between our country and the rest of the socialist countries.

The visit of a Bulgarian party-state delegation led by Comrade Todor Zhivkov, secretary general of the BCP Central Committee and chairman of the State Council, to Hungary was a significant event in traditional Hungarian-Bulgarian relations. The result of the talks and the long-term economic and technical-scientific agreement that was concluded serve well the strengthening of our friendship and Hungarian-Bulgarian relations, the development of our internationalist collaboration, and the attainment of the objectives of the socialist community.

Our talks with a state delegation led by Comrade Petar Stambolic, president of the SFRY State Presidency, that has visited Hungary have successfully contributed to Hungarian-Yugoslav good-neighborly relations and the further development of extensive cooperation consistent with our peoples' interests.

4. For the sake of preserving and further developing equal and mutually beneficial relations based on the principles of peaceful coexistence among countries with different social systems, we conducted extensive and successful talks in the past period as well. Official visits to Hungary by the premiers of Greece, Turkey, New Zealand, and Zimbabwe signify an expansion of our interstate relations. The talks contributed to better knowledge of each other's positions and an expansion of bilateral relations on the basis of mutual interests.

5. In the worldwide struggle to preserve peace and promote the cause of social progress, the MSZMP attaches particular significance to collaboration between the communist parties and all other democratic and progressive forces.

The bilateral interparty discussions, consultations, and exchanges of views and experiences that took place in the past period have strengthened internationalist solidarity and cooperation. Our party participated with delegations at the congresses of the Communist Party of Denmark, the Mozambique Liberation Party, Frelimo, the SEW, the PCI, and the Swiss Labor Party. A party-state delegation attended the festivities of the fifth anniversary of the Afghan revolution. Our party was represented at the international scientific conference staged in Berlin on the occasion of the 165th anniversary of the birth and 100th anniversary of the death of Karl Marx.

The meetings and discussions that took place in the past period with representatives of socialist and social democratic parties usefully served the peoples' common interests in preserving peace and developing interstate relations.

II.

The Central Committee discussed a recommendation on further developing the electoral system. Taking into consideration the position of and proposals by the PPF National Council, it concluded:

The people's representation plays a decisive role in our socialist system. The working people participate in the guidance of the socialist state, the administration of public affairs, and social supervision primarily through the organs of people's representation and representatives they themselves elect.

In the past decades, the organs representing the people -- the National Assembly and the councils -- contributed to socialist construction and the development of socialist democracy through their activity. This was appropriately aided by our electoral system as well. On the basis of the development that has taken place in our society, the situation has become suitable for us to further develop the electoral system, relying on the principles that have been tested and proven correct in practice.

The foundation of our electoral system is the Constitution that embodies the people's power. Its purpose is to serve socialist construction through a people's front policy expressing national unity.

In the future our electoral system should ensure the universality and equality of suffrage and the secrecy of voting. Individual constituencies, citizens who directly nominate deputies and council members respectively, should remain the fundamental framework of elections.

For further development of the electoral system, the Central Committee deems the following as necessary:

1. At the individual constituencies, at least two candidates should be nominated for the election of both deputies and local council members.

2. In addition to the deputies and council members elected, those candidates who obtain at least 25 percent of the valid votes should become alternate deputies or alternate council members. Should the mandate of the constituencies of deputies or council members become vacant, alternate deputies and alternate council members should replace them without separate elections.

3. A maximum of 10 percent of all of the deputies -- some 30-35 figures from public life -- should be nominated or elected to the National Assembly on a national list. The figures eligible on a national list should be nominated by the PPF National Council on the basis of proposals by the political, social, and interest representational organs. Their election should take place with the direct vote of all of the country's eligible voters.

4. The prevalence of the interests of villages merged into one should be ensured more than heretofore in the work of their joint councils. Therefore, an independent parish council of the elected council members merged into one should be set up at each of the villages.

The Central Committee recommends that the National Assembly create a new law on the system of election of deputies and council members.

III

The Central Committee discussed a report on the position and tasks of industry. It concluded that Hungarian industry has undergone a historic development in the period of socialist construction to date. It has become the foremost branch of the people's economy and has greatly contributed to our country's radical economic and social transformation, to the prevalence of the right to work in practice, by creating full employment, and to the spreading of technical culture.

Since 1950 industrial production -- without the building and food industries -- has increased ninefold, and its share of the GNP has increased from 30 to 45 percent. More than 26 percent of the employed people are working in industry. The material-technical base created in the course of socialist industrialization is the fundamental prerequisite for the development of the rest of the branches of the people's economy as well. Industry is playing an outstanding role in providing the supplies of the population, in foreign trade, and in maintaining the external and internal equilbrium of the people's economy.

1. After the liberation, following a rapid overcoming of the damage from the war, an industry decisively determing the productive capacity of the people's economy as a whole came about in our country. At the beginning the directions and proportions of development were inconsistent with our country's endowments and capacity. Industrial development became more preportionate starting with the sixties. International cooperation -- primarily socialist economic integration -- has considerably contributed to increasing our industry's performance.

The economic macromanagement system introduced in 1968 promoted taking better advantage of technical and intellectual reserves, a gradual emergence of a qualitative development, and a modernization of industry's production structure. This was accompanied, however, by an increase in capitalist imports with which exports did not keep abreast. We adapted relatively slowly to the changes that took place in the world economy, which manifested itself mostly in a deterioration of industry's foreign trade exchange ratios. From 1979, an economic policy concentrating on restoring the foreign economic equilibrium and enforcing requirements of rentability, as well as a more realistic evaluation of possibilities of acquisition and disposal, necessitated a lessening of the growth of economic production.

2. State ownership is the determining factor in industry. Ninety-one percent of the products are produced by state enterprises, 8 percent of them by industrial cooperatives and ancillary branches of agriculture, and 1 percent by private small-scale industry. The Central Committee concluded that industry's branch structure has developed similarly to the trends experienced in the developed countries. In production the proportionate share of the chemical industry has increased, the rate of the growth of the machine industry is consistent with the industrial average, and the consequence of the light industry is diminishing. We have achieved notable results in the technical development of mining and metallurgy, in aluminum and bauxite production, and in the production of road vehicles and components, modern machine tools, certain instruments, and computer technological equipment. Putting the first unit of the Paks nuclear power plant into operation constitutes a significant step in the modernization of domestic energy production. Petrochemistry has attained an outstanding role in the chemical industry and we have retained the international reputation of our pharmaceutical industry.

At the same time technical development is slow and the replacement of outdated products is proceeding sluggishly in the processing industry. We have fallen behind in the departmentalized production of semifinished products, components, and partial units. Industry markets three-quarters of its products at home and produces -- in improving quality -- 80 percent of the industrial goods the population consumes. More than half the exports go to socialist markets. Material and energy intensive products of a low degree of processing still predominate in our exports.

In industry work productivity has increased more rapidly than production, but we still lag considerably behind several European socialist countries and the advanced capitalist countries. We use more materials and energy than is justified in production. As a result of the implementation of an energy management program in recent years, the energy requirements of production have diminished and an improvement has been experienced in the management of materials as well.

Along with development the vocational training and education of industrial workers have also improved considerably. The ratio of skilled and trained workers has increased and that of unskilled workers has decreased. Consistent with the requirements of technical progress, the number of intellectual working people has increased five-fold in the last 3 decades. The vocational and political qualifications of leaders have improved considerably.

3. Industry will have to continue to assume a determining role in modernizing the material-technical base of the socialist society, constantly improving the living conditions of the population and satisfying social requirements on a higher standard. The changed external and internal conditions demand that industry should increase its output, take better advantage of its reserves and intellectual and material resources, accelerate technical progress, and enhance the competitiveness and profitability of products.

Increasing work productivity at a more rapid rate, reducing the specific use of materials and energy, and improving the technical standard and quality of production and products constitute a lasting requirement of our industrial policy. Resources for development should be devoted primarily to intensification and modernization.

Taking our endowments at home and international development trends into consideration, the main directions of industrial development are the following: more economical use of our natural resources, production of up-to-date industrial products linked to agriculture, elaboration and introduction of biotechnical processes, development of electronics -- particularly microelectronics -- and the spreading of their application, the development of technologies and equipment that save energy and materials, a rational enhancement of the degree of the processing of products, and an expansion of activity creating greater values.

4. The macromanagement of industry has developed and the role of economic means has increased. Despite favorable changes the system of regulation does not sufficiently encourage selective development; enterprise and individual incomes are not sufficiently tied to performances.

The tasks facing industry necessitate further developing the work of macromanagement, laying better foundations for plans for the people's economy and enterprises, improving vocational coordinative and organizational activity, and harmonizing interbranch relations closer.

Economic regulation is to remain the main instrument of the macromanagement of enterprises. Regulation should contribute to a better harmonization of the interests of enterprises and those of the people's economy, enagle the value judgement of the market to come into play on a broader scale, encourage the working people of enterprises to intensify profitability, and foster an apportioning of incomes according to performance.

In the future the role of large-scale enterprises will remain a determining one in production, exports, and technical development. Reserves of efficiency inherent in concentration should be exploited more than is done now by developing their internal organizational and incentive systems. It should be ensured, through continuous work, that medium and small enterprises come into being which flexibly adapt themselves to market changes and, together with the industrial cooperatives and private small-scale industry, provide a favorable production background for large-scale industry, participate in furnishing better supplies for the population, and are capable of exporting profitable products as well.

The role of the human factor increases in the period of intensive economic development, which calls for improving the vocational qualifications and culture of the working people of industry, taking advantage of the attained knowledge, and more effective employment. The creative and substantive participation of the working people in the development and solution of economic tasks should be strengthened. Material and moral recognition for engineers and technicians working in industry should be intensified. The modernization of enterprise management, enhancement enterprises independence and responsibility as economic units, and the strengthening of their initiative-taking ability impose higher demands on managers and call for a perfection of the training and selection of managers and the methods of appointing them.

5. The development of industry is of outstanding significance in the party's economic policy. Party work should be instrumental in ensuring that the set tasks are actively supported by the broadest sphere of the working people and intellectuals working in industry. Party organs and organizations should aid enterprises in adapting more rapidly to the given economic conditions and in resolving our economic policy tasks.

Through their work as a movement, the trade unions to date have considerably contributed to the development of industry. The Central Committee expects them to further strengthen the harmonizing of their activity of protecting interests and fostering production and to promote the effective functioning of the forums of workplace democracy and the active participation of the working people in shaping and accomplishing the tasks of collectives. They are to encourage pledges that serve to improve the qualitative factors of production.

The KISZ organizations are participants in implementing industrial policy. They should continue to strive to develop the creative inclination of young people and to make it easier to take better advantage of their initiatives and up-to-date knowledge in resolving the tasks of industrial development.

The Central Committee is convinced that the tasks facing industry can be resolved through the creative activity of the workers class and the technical intelligentsia.

IV.

The Central Committee reviewed the experiences of the development of the people's economy at the beginning of the year. It concluded that our people are working in a stable domestic political situation and in an organized and purposeful manner to accomplish the economic tasks that have been set. In the first half of the year the people's economy developed in conformity with the main objectives of economic policy: The country has fulfilled its obligations concerning payments and commodity supply, wages, and consumer prices developed according to plan.

1. Industrial production did not attain the planned target in the first months of the year but increased by approximately 2 percent in May and June. Work productivity has risen and exports have expanded. The agricultural enterprises have completed their seasonal jobs with care, on time, and in good quality, but drought-like weather in several areas of the country has spoiled the prospects of a good cereal harvest at the beginning of the year. With the exception of cattle, livestock has continued to increase.

Taken on the whole the amount of energy used by the people's economy has continued to decrease; the energy supply is even. At variance with a planned reduction, investments in the social sector have increased. The foreign trade turnover is in excess of last year's and its balance sheet has continued to improve.

2. The Central Committee concluded that improving the balance in the people's economy, retaining the country's solvency, and shaping the standard of living according to plan remain the main task. This primarily requires an intensification of productive capacity of the people's economy and a more vigorous increase of exports. Deviation from the envisaged proportions of production and utilization should be prevented. There should be a strict economization of materials and energy.

For the sake of fulfilling the plan for the people's economy, the efficiency of the work of economic macromanagement and organization should be improved. The heads of enterprises and organs pursuing economic activity should attend to issues that require local decisions without delay.

The Central Committee calls upon the party organizations to contribute with active political work and substantive initiatives and suggestions to the fulfillment of the 1983 plan for the people's economy. Communists everywhere should be in the vanguard in accomplishing tasks, developing receptiveness to new things in their environment, strengthening organization, and promoting precise, exacting, and disciplined work through their example.

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The Central Committee reached a decision in the following personal matters:

-- Because of another important assignment, it has relieved Comrade Peter Varkonyi of his function as secretary of the Central Committee.

-- It has relieved Comrade Matyas Szuros of his position as head of the Central Committee's International Relations Department and elected him secretary of the Central Committee.

-- It has appointed Comrade Gyula Horn, deputy head of the Central Committee's International Relations Department, head of the department.

-- Because of another important assignment, it has relieved Comrade Sandor Racz, head of the Central Committee's Public Administration and Administrative Department, of his position.

-- It has appointed Comrade Peter Varga, first secretary of the Somogy County party committee, head of the Central Committee's Public Administration and Administrative Department.

-- Because of another important assignment, it has relieved Comrade Mikhaly Kornidesz, head of the Central Committee's Department of Scientific, Public Education, and Cultural Affairs.

-- It has appointed Comrade Pal Tetenyi, secretary of the Council of Ministers' Science Policy Committee, head of the Central Committee's Department of Scientific, Public Education, and Cultural Affairs.

-- Because of his retirement and recognizing his merits, it has, at his own request, relieved Comrade Dezso Nemes, director of the party history institute, of his position.

The Central Committee has made recommendations to competent organs on the filling of state positions.

MTI REVIEWS HUNGARIAN-SOVIET RELATIONS

LD131213 Budapest MTI in English 1034 GMT 13 Jul 83

[Text] Budapest, July 13 (MTI) -- As reported, in the second half of July a Hungarian party and government delegation, led by Janos Kadar, first sectetary of the Hungarian Socialist Workers party Central Committee, is to pay an official friendly visit to the Soviet Union on the invitation of the Central Committee of the Communist Party of the Soviet Union, the Presidium of the Supreme Soviet and the Soviet Council of Ministers.

The Hungarian-Soviet relations are successfully developing on the basis of Marxism-Leninism and proletarian internationalism and in the spirit of fraternal friendship and cooperation.

The fraternal relationship of the HSWP and the CPSU and regular top-level discussions have a particular importance in the development of many-sided relations. In 1981 Janos Kadar visited the Soviet Union on three occasions, last year attended Leonid Brezhnev's funeral and the 60th anniversary celebrations in Moscow, and this June participated in the Moscow meeting of seven European socialist countries. The latest official friendly visit of a Soviet party and government delegation to Hungary took place in 1979.

The extensive inter-state relations are becoming increasingly effective. Led by Antal Apro, president of the Hungarian National Assembly, a parliamentary delegation paid an official visit to the Soviet Union in 1978, and in 1981 a Soviet parliamentary delegation came to Hungary.

Part of vigorous intergovernmental relations, in 1979 Prime Minister Gyorgy Lazar paid an official visit to the Soviet Union, which was returned by his counterpart Nikolay Tikhonov in December 1981. There are regular meetings also on the prime ministerial and ministerial levels. Ministry and national authority cooperation is carried out under long-term plans, mostly in intergovernmental commissions.

Comradeship-in-arms of the two countries is developing traditionally well, and there are good relations between the Hungarian Peoples's Army and the Southern Soviet Army Group temporarily stationed in Hungary.

Hungarian-Soviet economic cooperation is decisive in many respects. Trade with the Soviet Union accounts for a third of Hungary's foreign trade turnover and more than half the goods traffic with socialist countries. The division of labour and production pattern of the two national economies offer favourable possibilities for the further development of economic relations.

Under a 5-year trade and payments agreement, signed in Moscow in March 1981, the value of goods exchange is to reach 34,000 million roubles. Over the past five years specialization and cooperation agreements have accounted for a fifth of Hungarian import and over 30 per cent of export. The agreement includes -- Soviet delivery of machinery, crude oil and oil products, coal and metallurgical coal, major quantities of natural gas and electric energy, more than 10 million tons of iron ore and considerable amounts of non-ferrous metals, rolled goods, chemicals, timber products, cellulose, paper and consumer goods. Hungarian exports are metal-cutting machine tools, forging and pressing machines, cables and wires, lifting and conveyance equipment, food industrial and cooling installations, convection industrial and telecommunications equipment, farm machinery, chemicals, biocides, construction materials, seeds and stocks, premix feeds and farm and food products.

The pro rata temporis targets of the agreement have been met. Last year Hungary's foreign trade turnover exceeded 7,400 million roubles, and an increase is expected this year.

Cooperation is increasing in a number of other areas, including pipeline construction, alum earth and aluminum production, oil and gas prospecting in Hungary and conservation of energy and raw material.

The introduction of a Hungarian maize production system is planned in some areas of the Soviet Union, and Hungary participates in the setting up of broiler chicken plants in Azerbaizhan and Georgia, and a pig farm and premix plant in Georgia. At present negotiations are under way on Hungary's participation in the construction of the Khmelnick nuclear power plant.

Cultural relations are developing dynamically. Scientific cooperation has seen major improvements in quality and now covers 80 areas. The first common space mission was an important event of cooperation.

About 1,200 Hungarian students attend Soviet universities and colleges, and this year 110 are to be enrolled.

MARJAI DISCUSSES ECONOMICS WITH USSR'S ARKHIPOV

LD131951 Budapest Domestic Service in Hungarian 1630 GMT 13 Jul 83

[Text] Deputy Premier Jozsef Marjai has discussed Hungarian-Soviet economic relations with Ivan Arkhipov, first deputy chairman who stopped in the Hungarian capital on his way through. The chairman of the Soviet State Committee for Foreign Economic Relations was also present at the talks.

GDR'S KLEIBER ARRIVES FOR TALKS 12 JUL

LD121902 Budapest MTI in English 1735 GMT 12 Jul 83

[Text] Budapest, July 12 (MTI) -- On the invitation of Hungarian Minister of Industry Lajos Mehes, Gunther Kleiber, deputy chairman of the Council of Ministers of the German Democratic Republic and minister for mechanical engineering, farm machinery and vehicle construction, arrived in Hungary Tuesday, to hold talks on the development of economic and technical-scientific cooperation.

AFGHAN PATRIOTIC FRONT DELEGATION HOLDS TALKS

LD111923 Budapest MTI in English 1727 GMT 11 Jul 83

[Text] Budapest, July 11 (MTI) -- Invited by the National Council of the Hungarian Patriotic People's Front, a delegation of the National Patriotic Front led by First Deputy President Bareq Safi, member of the Afghan People's Democratic Party Central Committee and the Revolutionary Council, has arrived in Hungary.

Monday Bela Kovacs, secretary of the Patriotic Front National Council, briefed the delegation on the work of the People's Front in promoting the country's alliance policy and social democracy and bilateral relations and ways of deepening friendship between the two peoples were discussed. The talks were attended by Jailani Bakhtari, Budapest ambassador of the Afghan Democratic Republic, and the delegation met Sandor Harmati, president of the Hungarian solidarity committee.

BRIEFS

NEW SECRETARIAT DEPUTY CHIEF -- The government has appointed Lajos Monus deputy head of the Secretariat of the Council of Ministers. Until his appointment Lajos Monus has been head of the Legal and Administrative Department of the Secretariat of the Council of Ministers. [Text] [Budapest Domestic Service in Hungarian 1630 GMT 9 Jul 83 LD]

SEJM TO DEBATE 'STATE OF EMERGENCY' AMENDMENT

LD132157 Warsaw PAP in English 2104 GMT 13 Jul 83

[Text] Warsaw 13 July -- The Sejm (Polish parliament) will convene July 14. The first part of the debates will concern one of the important aspects of parliamentary control over the government activity. The point in question is the assessment of the implementation of the 1982 budget, with which the issue of giving acceptance to the government for 1982 is connected. In the past few weeks, these questions were examined by the Sejm committees. This resulted in the Committee for the Economic Plan, Budget and Finances deciding to submit a motion on acceptance to the government on this question to the Sejm.

The item on amending the Constitution figures prominently in the announced agenda of the meeting. The deputies' draft provides for four amendments to the basic law. The first amendment concerns the constitutional regulation of the PRON's [Patriotic Movement for National Rebirth] role and place in Poland's political system. The second draft amendment is linked to the role of the working class in People's Poland and to the fulfilment of its strivings. It also stresses the worker-peasant alliance.

The third proposed amendment is connected with the implementation of the decisions of the joint plenum of the Central Committee of the PUWP and the United Peasant Party and deals with guarantees for private family farm of working peasants.

The fourth amendment aims to clearly distinguish a threat to the state due to external factors from a threat due to internal factors. The deputies' draft says that the first case implies reasons of defensive capacity and those of external threat to the state. The second case implies a threat to the state's internal security or a natural disaster.

The proposed amendment consists in supplementing the constitutional formulations so as to provide an opportunity for declaring a state of emergency (rather than martial law) when such necessity arises exactly in the second case, as envisaged by the legislation of a number of countries. The draft to amend the Constitution will be tabled in the first reading July 14.

Two draft laws on the Council of Ministers and the press law will be examined also in the first reading.

A bill on archival materials and archives will also be reviewed.

ZSL Session Discusses Bills

LD131902 Warsaw Domestic Television Service in Polish 1730 GMT 13 Jul 83

[Text] At today's joint session the Presidium and Secretariat of the Supreme Committee of the ZSL ascertained that the progressive process of normalization creates conditions for the complete lifting of martial law. Such a decision will contribute to the full normalization of sociopolitical life in the country. The view was also expressed that the bills which are scheduled to be the subject of upcoming Sejm debates will serve to further stabilize the country as well as being in the interests of the community and the socialist state. The ZSL parliamentary party is committed to give its support to the drafts of these bills at the coming sessions of the Sejm.

STATE COUNCIL MEMBER UPDATES CLEMENCY SITUATION

LD132202 Warsaw PAP in English 2033 GMT 13 Jul 83

[Text] Warsaw 13 July -- Out of the 809 clemency requests filed under the Council of State clemency decree of last December, the Council of State granted clemency for 687 people and rejected requests from 122, a member of the Council of State and head of the Clemency Commission, Eugenia Kempara, told PAP. More than a dozen requests is under consideration, she added.

Of the two forms of clemency envisaged by the decree, which referred to persons sentenced to prison without conditional suspension for martial law violations and other politically motivated offences, early conditional pardons were granted to 580 people and conditional suspensions were offered to the remainder. Those granted clemency include 31 women and [word indistinct] juvenile offenders.

As the most important reason for which the Council of State denied clemency to 122 people, Mrs Kempara pointed out the fact that they had carried out leading and organizing roles during strikes and other actions specified in the martial law decree. Some of the offenders used methods of terror and intimidation against the worker crews. For example, they tried to blow up mines, made significant material losses and the like. Another reason was the criminal record of some offenders -- notorious criminals with dozens of sentences in their files.

Still another reason was the behavior of part of the offenders in penitentiary centres. They not only failed to show critical reflections about their conduct but even demonstrated a hostile, "implacable" attitude. Clemency was also denied to 9 members of illegal terrorist organizations.

The total number of people to whom the clemency decree applied was 894, and 7 of these failed to apply for clemency.

PAP REPORTS 1983 FOREIGN TRADE STATISTICS

LD131859 Warsaw PAP in English 1710 GMT 13 Jul 83

[Text] Warsaw 13 July -- Poland's foreign trade turnover rose in current prices by more than 17 percent in the first half of the year compared with the respective period last year, Deputy Foreign Trade Minister Andrzej Dorosz told PAP. Exports went up by 16.9 percent, totalling 491 billion zlotys, which fully meets the central annual plan assumptions and is proportional to the stretch of time, Dorosz said.

"This result means that we are overcoming the effects of the restrictive measures taken by the West. But, of course, this does not mean that we have fully made up for the losses caused by the sanctions," Mr Dorosz said.

Ministerial experts estimate that Polish exports to the socialist and capitalist countries will meet the planned figures by the end of the year. Steps have been taken to speed up imports from the socialist countries, and hard currency purchases will be derivative of the financial situation, according to Mr Dorosz [word indistinct] Unfortunately, this resulted only in part from a growth in exports and came rather as the effect of imports curtailed by financial difficulties, he added.

Poland's imports from the capitalist countries dropped by nearly [figure indistinct] per cent below the plan, and Mr Dorosz attributed this to the fact that Poland planned to finance part of its imports with credits worth some 800 million dollars. "Most probably, we will obtain credits worth no more than 400 million dollars this year," he said.

"Moreover, part of the export earnings goes for servicing the debt. In the first half of the year this [word indistinct] considerable sums of money," Mr Dorosz remarked.

"I think that the reconstruction of our capacities for drawing new credits is very difficult. It will take a long time," he opined.

Imports from the socialist countries in the first half of this year totalled 251 billion zlotys, outscaling exports by 6 billion zlotys. The import surplus covers Poland's trade with the Soviet Union, although it is much lower than expected.

"In the second half of the year we expect a bigger growth of our imports from the socialist countries," said the Polish foreign trade official.

COUNCIL OF MINISTERS ON PRODUCTION, WAGES

AU061321 Warsaw TRYBUNA LUDU in Polish 2/3 Jul 83 pp 1-2

[PZPR report: "Council of Ministers in Session"; passages in uppercase published in boldface]

[Excerpts] THE COUNCIL OF MINISTERS EXAMINED THE KEY ISSUES OF EMPLOYMENT POLICY IN THE CONDITIONS OF THE ECONOMIC REFORM AND CONSIDERED THE LINES OF THE WAGE POLICY IN 1983-85. The minister of labor, wages, and social affairs submitted the appropriate analyses and proposed solutions.

In 1982 the average employment in the national economy amounted to 11.6 million persons and was lower by about 458,000 persons than in 1981. The drop in employment occurred mainly in material production -- in industry, construction, and agriculture. Throughout the nonproduction area employment continues to remain at the same level, except that it increased in education and health services and dropped in science, technical development institutions, and state administration. A further drop in employment, amounting to about 116,000 persons, occurred in the first half of this year. The reductions in employment are being accompanied by a drop in labor potential in material production. This is because of a shortened working time and because of the introduction of paid periods of absence for education. As a result social productivity is slumping. Measured by the size of the national income per each worker in fixed prices, social productivity dropped by 22 percent in 1980, by 13.1 percent in 1981, and by 9.2 percent in 1982. Last year all miners continued to work on free Saturdays. In other sectors of the economy such work was undertaken only to a limited extent.

THE SLUMP IN LABOR POTENTIAL HAS CREATED A GREAT DEMAND FOR WORKERS, WHICH IS INCREASING THE TREND TOWARD CHANGING JOBS.

Changes in the level of employment caused drops in production, which, compared with the previous year, dropped 4.5 percent in 1980, 16.4 percent in 1981, and 4.9 percent in 1982.

DESPITE DROPS IN PRODUCTION, WAGES CONTINUE TO INCREASE RAPIDLY. The average wage amounted to Z11,116 in 1981, Z12,033 in 1982, and Z15,400 last May. The gaps in wages have been clearly reduced. Except for the extracting industries, the ratio between the lowest and the highest wages was reduced from 1 to 6.6 in 1980 to 1 to 4 in 1982.

THE COUNCIL OF MINISTERS AGREED THAT IT IS NECESSARY TO INTENSIFY EFFORTS TO RATIONALIZE EMPLOYMENT.

This process of rationalization, for which all the necessary conditions, exist, should be facilitated by the measures to promote so-called tight money in exterprises and to adjust to reality the fiscal results achieved by economic units. This will mean cutting down to size the fiscal resources of enterprises and encouraging them to reduce in this way their manpower and to change the structure of employment in favor of production workers and increased productivity.

We should also expect an increased production militancy on the part of the population. The Council of Ministers came out in favor of compulsory labor deployment to be applied selectively and which would make it possible to rationally shift workers from one plant to another, primarily to the plants that produce the goods that are in particularly short supply.

THE COUNCIL OF MINISTERS ALSO EXAMINED AND APPROVED MATERIALS DEALING WITH THE PROPOSALS ON THE WAGE POLICY IN 1983-85. These proposals are aimed at creating possibilities for raising wages by curbing those elements of remuneration that are connected with the results of labor but are connected with the fact of employment -- compensations, excessively developed changeable elements of wages, and so on. The minister of labor, wages, and social affairs was instructed to prepare the necessary draft resolution to be adopted by the Council of Ministers as the legal premise for implementing the proposals on wage policy. He was also instructed to draw up new skeleton wage scales.

THE COUNCIL OF MINISTERS STRESSED THAT IT IS NECESSARY TO DRAW UP A DRAFT LAW WHICH SANCTIONS FAR-REACHING SOLUTIONS IN THE FORM OF WAGE EXPERIMENTS. The experimenting plants would determine the principles of wages on the basis of plant regulations, which are a kind of a social contract between plant managements and representative bodies of the work forces.

THE COUNCIL OF MINISTERS DECLARED ITSELF IN FAVOR OF NOT EXTENDING SPECIAL RIGHTS AND BENEFITS THAT ARE NOT CONNECTED WITH THE DIRECT RESULTS OF ONE'S WORK. It instructed the minister of labor, wages, and social affairs to draw up a draft law in this connection.

The Council of Ministers approved the evaluation and proposals contained in the materials in question and instructed the minister of labor, wages, and social affairs to discuss specific proposed solutions with trade unions and other social professional organizations.

THE COUNCIL OF MINISTERS THEN STUDIED THE REPORT IMPLEMENTATION OF THE PROPOSALS PRODUCED BY THE NATIONAL CONFERENCE OF WORKERS AKTIVS WHICH WAS HELD IN WARSAW ON 30 MARCH 1982.

This conference received 1,167 proposals, a large number of which concerned the government austerity and anti-inflationary programs. Many of the proposals were general in character and were addressed to enterprises and local authorities.

The Council of Ministers noted that the appropriate departments and institutions had seriously considered workers proposals, had examined them thoroughly, and had supplied their authors with the necessary replies by 10 May.

Most of these proposals were accepted for implementation. They helped reinforce the government action programs, make a number of decisions, and modify the decisions and legal solutions previously adopted.

The Council of Ministers agreed that the implementation and exploitation of workers proposals is proceeding correctly. It instructed the founding bodies in enterprises to continue activities to promote further production militancy of work forces and to increase their participation in management.

FINANCE MINISTER ON TAX BREAKS FOR PRODUCTION

AU081425 Warsaw TRYBUNA LUDU in Polish 6 Jul 83 p 5

[PAP reporter Janusz Kotarski interview with Stanislaw Nieckarz, minister of finance: "How To Stimulate Market Production?"; date and place not given]

[Text] Under economic reform conditions, an improvement in the supply of goods to the market can only be achieved by means of a system which encourages independent enterprises to function economically. The point is, above all, to guarantee the profitability of market production. What has been done in this sphere and how will the present system encourage market production? With this question, a PAP reporter turned to Stanislaw Nieckarz, minister of finance.

A characteristic feature of the entire financial system is the development of profitable economic activity. So we must make the most of those financial measures which help achieve profits for enterprises. For with these profits comes the possibility of increasing workers' wages and of additional funds for developing economic activity. This profit has to be worked for, therefore, it must result from greater productivity and lower production costs.

We must take the extremely varied situation of individual enterprises into consideration. Some of them produce goods whose price should not rise for social reasons. The chance of making the production of these goods profitable at a time when their production costs are quite high is not large. That is the reason behind continuing state subsidies for very many articles.

Financial incentives for increasing market production are also contained in suitable income tax breaks. For example, enterprises with poor equipment are taking advantage of these breaks.

So income tax breaks give enterprises a great chance. These breaks are also granted when market production has increased or the quality of production has improved, and also when enterprises undertake investment projects aimed at increasing the supply of goods covered by government orders and those goods which are in special demand.

Thus, for example, for every percent in the growth of production of standard goods (covered by controlled prices), the rate of income tax payable decreases by the same amount. Tax breaks are also applied when an enterprise achieves an improvement in quality as shown by having its products marked with the quality signs "Q" or "I".

Next, undertaking investment projects designed to stimulate market production makes possible an income tax break of up to 20 percent of the outlay allocated to the investment project, provided the project does not take longer than 2 years to carry out.

Additional breaks granted to some branches of industry are also important. The following industries have been relieved of the obligation to charge depreciation costs to the budget: food, cellulose-paper, and linen industries, plus some furniture plants.

The center has done enough to encourage market production. Now everything is up to the enterprises, their managements, and their workers' self-management bodies.

We are even wondering today if the range of these breaks is not too wide. For the very fact that enterprises are producing goods for the market is giving them so many breaks that they are not interested in increasing production. There are examples of such enterprises. That is why we will also check the range of tax breaks. For the point is not to offer enterprises money just because they are producing for the market, but to give them greater incentives to increase this production and improve its quality.

GOVERNMENT PRESIDIUM VIEWS ECONOMIC PROBLEMS

AU071426 Warsaw TRYBUNA LUDU in Polish 5 Jul 83 pp 1-2

[PAP report: "Government Presidium at Work"]

[Excerpt] The Government Presidium examined the concept for developing cooperation and and trade with the USSR up to 1990. The USSR is an attractive partner in international economic cooperation because of the potential and modern character of its economy, raw materials, and the fact that it consistently sticks to the international principles of equal cooperation that ensure benefits for all participants. For these reasons and also because of the immediate neighborhood Poland is vitally interested in taking advantage of all the virtues of cooperation with the Soviet Union. The concept, which was discussed and approved, seeks to strengthen those lines and forms of cooperation that guarantee a long-term development for the Polish economy. The concept lays the main stress on tightening integration links and on intensifying production specialization and cooperation. The adopted concept for the development of cooperation envisages further increases in mutual trade in line with economic needs and opportunities and provides for gradual repayments of Poland's debts. Fuels, raw and other materials, and technical equipment should be the main items of Polish imports from the USSR, and products of shipbuilding and aviation industries as well as technical equipment should dominate Polish exports to the USSR. Trade in consumer goods will continue and will be developed. Cooperation in the exploitation of technical innovations, mutual construction and repair services, and long-term joint undertakings in exploiting seabeds and fishing resources will be greatly expanded.

The Government Presidium discussed the problems of the development of the shipbuilding industry up to 1985. It also discussed the preliminary plans for this development up to 1995. Plans were made to increase the efforts to modernize and to exploit more effectively the potential of the shipbuilding industry and of the sectors of other industries cooperating with it.

The Government Presidium studied the report on the need for changes in the Labor Code and collective labor contracts. These changes have been made necessary by the new conditions created by the economic reform. The proposed changes will be discussed with trade unions. The Government Presidium gave instructions to carry out additional polls to find out what work forces and scientific centers expect and think of such changes. Apart from the work to modify the Labor Code, the necessary changes of some regulations of this code will be made under normal procedures.

The Government Presidium approved the draft decree on occupational diseases. The decree defines more clearly the principle in accordance with which the identification of an occupational disease must prove that this disease is directly due to working conditions. The decree lays down the principles of reporting and ascertaining occupational diseases and lists them. It incorporates the proposals submitted during public discussions and takes into account the achievements of world medicine. It also states that an employee may refuse to agree with medical findings in his case and may ask for reexamination by a medical institute or a medical academy.

MOKRZYSZCZAK INTERVIEWED ON PARTY CHANGES

AU051643 Warsaw POLITYKA in Polish 2 Jul 83 p 2

[Press review compiled by "(M)": "The Same But Not Quite the Same"]

[Text] The current state of the party, its activities, and the mutual relations between the party's administration and the party's social organization were discussed by Wlodzimierz Mokrzyszczak, PZPR Central Committee secretary and Politburo candidate member, in a Ryszard Lukaszewicz interview carried by the 113th issue of EXPRESS WIECZORNY-KULISY.

[Lukaszewicz] What does W. Jaruzelski, first party secretary mean when he says that the party is the same but not quite the same?

[Mokrzyszczak] We are "the same" Marxist-Leninist party which is deeply rooted in the traditions of the Polish and the international workers' movement, but we are also "not quite the same" because we are restoring supreme significance to values which were not always appreciated in the past, such as support of an ideology, modesty, intransigence, fellowship, and concern for the affairs of working people and the strengthening process which is taking place. Ideological and political unity is being consolidated and discipline has been increased with regard to our activities. The party has fewer members than it did 3 years ago, but it is more experienced and reliable than before. It lost almost 800,000 members, but we do not consider those who left be enemies, for it may be that some of them will join us again since such cases have occurred already.

[Lukaszewicz] At the beginning of martial law the following political principle, which then applied to the ongoing situation, was beinding: It stipulated that the Armed Forces should be in the front line of the fight for stability, and that the party should follow immediately behind it. Where does this equation stand today?

[Mokrzyszczak] I do not quite agree that this political principle was a binding one. However, one could get this impression from watching what was going on. We must also remember, as I have already mentioned, the state the party was in while it was preparing for the seventy PZPR Central Committee plenum in February 1982, since this plenum was a turning point.

Those first months of martial law were a time of internal party consolidation when the ranks were put in order. On the other hand, the great number of duties which the Armed Forces took on and their presence in every walk of life could quite easily have given such an impression.

I would like to stress the great service performed by our comrades in uniform and say that they made an equally important contribution to strengthening the party. However, we cannot divide our members into groups of civilians and soldiers because we are all members of one party, but, our experiences of party work during martial law, as well as in the Armed Forces, shows us the positive aspects of this work that we can use in plants and institutions.

The party's leading role in the socialist state was the result of political principles. This is a matter of principle because the mistakes which were made while this leading role was being performed were one of the causes of the crisis. Since August 1980, we have begun to "socialize" this leading role to a certain degree, are extending the social base on which we will govern the state, and have changed our style and our methods. We have already achieved a new form of cooperation with the ZSL and the SD and various associations of lay Catholics.

I personally value the cooperation we are enjoying with our partners in the ZSL and the SD and would like this to happen at lower party levels.

I would like to remind you that even today there is no shortage of the ideas which were strongly promoted after August 1980 and under the slogan for "renewing" the leading role of the party which would, given the chance, really deprive the party of its influence in political affairs. Ideas of forming a "great coalition" and restricing the role of the party to one of "moral guidance" and so forth were and are nothing other than measures taken during the political struggle being waged by the political opponent against socialism in Poland.

[Lukaszewicz] Tell us about the way in which the administration of the party works.

[Mokrzyszczak] You mean how the Politburo and the Central Committee Secretariat work? Discussion topics are proposed by various departments of the PZPR Central Committee which are guided by the resolutions of the Ninth PZPR Congress and its plenary sessions. The number of these proposals is in excess of the time that is available to examine them all, so that only the most important go as far as being included on the agendas of the Politburo and sessions of the Central Committee Secretariat. Part of the informative detail are immediately sent around for familiarization purposes.

For understandable reasons, the Politburo is engaged in finding solutions to strategic problems as well as to the additional problems which life tends to bring. The Politburo is bound to examine all materials and matters which it submits at plenary sessions of the PZPR Central Committee. Remarks made by Central Committee members during the consultations are taken into consideration in draft documents.

The Politburo works very methodically and as a collective unit. Its sessions take as long as it is necessary to arrive at the required solution and everyone can have a say, even more than once. There are, in principle, many points on the Politburo's agenda and experts, some of whom are representatives of PZPR Central Committee departments, the government, and other institutions, are invited to discuss the various "subjects." The discussions are recorded in protocol and are, moreover, documented on a tape recorder, so as to let everyone know, including future historians, what problems had to be solved.

Are there any stormy discussions? Yes, there are because, as I said before, everyone is entitled to speak as often as they want. In doing so we can present our arguments to one another and work out a common position. Questions are also directed at the first secretary of the PZPR Central Committee. Comrade Wojciech Jaruzelski takes an active part in these discussions and proposes ways of solving controversial issues. He always asks the members of the Politburo at the end of the discussion if they agree with the proposed solution to a given issue. I personally believe this way of making decisions is very democratic.

[Lukaszewicz] Does any voting go on during Politburo session?

[Mokrzyszcak] There has been no need for it so far, but we have discussed problems which each Politburo member has felt obliged to take a stand on.

Moreover, I would like to add that the work of the Politburo is not restricted to discussions. Motions which have been adopted during Politburo sessions are sent out to be implemented by the appropriate PZPR Central Committee departments, government institutions, and social organizations. The name of every Central Committee secretary who is responsible for implementing the given motion figures next to the recorded motion since Comrade Jaruzelski attaches great importance to inspecting the implementation of any decisions which have been made.

SHORTCOMINGS IN MEAT INDUSTRY CRITICIZED

AU0810l46 Warsaw RZECZPOSPOLITA in Polish 6 Jul 83 p 2

[Article signed "(AN)": "The Quality of Meat Products Is Faulty"]

[Text] Because of the restrictions on raw materials, meat and its products are in especially short supply. Therefore, the ration quotas are small. So it is no wonder that evidence of waste concerning this food product are causing concern.

Checks carried out by the State Inspectorate for the Procurement and Processing of Agricultural Produce reveal that producing poor quality meat products is one of the most frequent signs of mismanagement concerning meat. Thirty-five key meat industry enterprises, 83 butcher shops controlled by the Central Union of Agricultural Cooperatives, 55 butcher shops controlled by the Union of Consumers' Cooperatives "Spolem", and 43 private butcher shops were checked recently. A total of about 2,000 samples of meat were tested and a departure from normal was determined in almost one quarter of them.

The most frequently noticed faults were: too much salt, fat, and water; improper curing; faulty pickling; dirt; and damage to the texture. Contrary to what is generally believed, the private butcher shops and those controlled by the Central Union of Agricultural Cooperatives gained the poorest marks in the eyes of the controllers, and the best marks were gained by the key enterprises, which, by the way, have indeed improved the quality of their products in in recent times.

Producers themselves classified only a part of their faulty products in category 2, which is 15 percent cheaper than category 1. The rest they sold at the normal price.

So what are quality control services inside plants doing? The results of the checks by the State Inspectorate for the Procurement and Processing of Agricultural Produce justify the statement that a considerable part of the above quality control services is not acting correctly. In Elk, for example, laboratory equipment was used incorrectly, and in Zawiercie not enough samples were tested. In cooperative butcher's shops there is no organized quality control, if one omits the regional laboratories which carry out chemical tests on ready-made products. There is also no quality control on the meat which goes in to make meat products.

The controllers from the State Inspectorate for the Procurement and Processing of Agricultural Produce also noted an inadequate technical state of production equipment, as well as many shortcomings in the delivery of meat from processing plants to the shops, which also unfavorably affects the quality of products for sale.

All the above discrepancies, which by the way have not been revealed for the first time, were presented at one of the recent meetings of the Central Commission for Combatting Speculation, which dealt with the problem of speculation and waste concerning meat.

Among other things, it was recommended that quality control inside plants to be improved and that supervision during the production process also be sharpened. Also to be settled is how to organize the above controls.

MINISTER VIEWS YOUTH PROBLEMS, STATE POLICY

PM111411 Opole TRYBUNA OPOLSKA in Polish 17 Jun 83 p 3

[Interview with Andrzej Ornat, minister-member of the Council of Ministers for Youth Affairs, by Roman Debecki; date and place not given]

[Text] Question: Minister, the department which you head is still very young: not quite a year old. There were many people who viewed its creation with some skepticism. Has the idea which led to its creation proved its soundness during its working period of less than a year?

Answer: Before I answer your question, let me define one term more precisely. We usually associate the word department [resort] with some large office with its own subdepartments and a whole crowd of officials and clerical workers. In our case it means just the one Bureau for Youth Affairs, active within the Office of the Council of Ministers and employing all of...nine persons. This is the entire executive apparatus at the disposal of the minister in charge of youth affairs.

To go back to your question of whether the idea has proved its soundness, I myself had originally viewed the advisability of setting up the post of minister in charge of youth affairs with some reserve -- and I do not seek to conceal this. For I had then suspected that such a concept carried with it an attempt at consciously directing and manipulating the young people's movement. Today, however, I could safely state that our practice of almost 1 full year has not only shown that that did not happen but, on the contrary, the then adopted organizational solutions have made it possible to safeguard a proper place in the attention and activity of the government for the affairs of a young generation of Poles. This is particularly so thanks to the regular and methodical work of the Council of Ministers Committee for Youth Affairs, a body active since last September under the chairmanship of Deputy Premier M.F. Rakowski. The committee -- of which I am secretary -- has become a forum for debating a wide range of problems concerning young people. We are trying to make the sessions of this government organ into a working platform where the questions and problems most important to the young generation are solved in the best possible way. Representatives of socialist youth associations such as the Union of Socialist Polish Youth [ZSMP], the ZMW, the Polish Scout Union [ZHP], and the Association of Polish Students [ZSP], together with representatives of various youth milieus, all take part in our committee sessions. Their opinions, comments, and recommendations are of considerable importance in the formulation of the resolutions adopted by the committee. As a member of the Council of Ministers I enjoy the right to pronounce my opinion on all documents which constitute the subject of government work, to submit my own draft documents, or to initiate various actions to be carried out by other departments. In all this, of course, I draw on the opinions, recommendations, and consultations made available to us by youth organizations. In all these matters I am assisted by the body which you grandly call my "department": the Bureau for Youth Affairs.

Question: Would you tell us about some of your more important achievements and successfully resolved problems concerning young people?

Answer: As there are very many of those, I will not describe each in detail but simply list the most important ones: the fact of the Council of Ministers' granting to youth organizations the right to carry out economic activity; the provision of legal grounds for the development of youth housing construction cooperatives by granting them low-interest credit as well as easy terms for the purchase of construction materials, allocating building plots for their use, and so on; the creation of a system of incentives designed to draw young people to the agricultural sector by granting them priority credits for the purchase of land, whereby young farmers buying land or other real estate need only to put down 5 percent of the value and can then pay off the rest over a period of 20 to 30 years, then a deferment [karencja] of 6 years, and, in addition , are given ground rent rebates; establishing favorable credit priority schemes for the young people to be used for the purpose of investment of turnover; assistance extended -- in the form of preparatory courses -- to young people from the rural areas who intend to continue their education at university level; the Council of Ministers resolution approving early promotion for the young employees of central and local administration; our current work on the preparation of the legal and organizational framework for arranging holiday exchange camps for 100,000 children for the PPR and the GDR.

I do, of course, realize that regulations -- even if they are the best possible regulations -- will not change anything on their own. But the young people can, with these regulations behind them, press for their realization and claim their rights.

Question: A new act concerning young people is currently being prepared. With so many institutions looking after young people, do you think a legal act of that kind is necessary?

Answer: The PZPR gave its opinion on this subject at its ninth plenum, and the ZSL at its 10th plenary session. The government is implementing the relevant programs concerning the young generation. I believe that the Sejm, as the highest legislative authority, should define, in a complementary way [as published]; problems concerning the younger group of our society, particularly those involving models of civil education, citizens' rights, self-education and professional training and the state's duty to organize methodical research into the problems of youth. It should constitute a set of rights and duties envisaged for the young people as their share in the work of overcoming the crisis and building the future for our socialist country. Naturally, no legal act can solve any problem just by the mere fact of having been passed. The question remaining to be asked is: When will the Youth Affairs Act stand a chance of being applied in practice? I believe this will happen when it is the young generation itself that formulates the act. At the moment work is continuing at the central level, with the participation of youth organizations, on outlining the contents of this act. If young people wish to fill the particular points of this outlined act with substance, it will stand a chance of fulfilling its role.

The act would constitute the third guarantee, along with the existence of the Council of Ministers Committe for Youth Affairs and the minister for youth affairs, that the problems faced by the young generation will not be forgotten. Finally, the act would provide general social frame[illegible] for the state's policy toward the young people.

Question: Do you find any evidence for the view occasionally expressed that Polish young people only want to take what they can and do nothing but press their demands?

Answer: It has always been the rule that opinions on young people are stated in extreme terms. I believe that our youth is certainly deeply patriotic and recognizes those values of socialism, like truth, or social justice, for which every human being will wish to fight, regardless of his party allegiance or his religious faith -- or the lack of it.

At the ninth plenum of the PZPR Central Committee we very strongly emphasized the thesis which stated that the young people are joint partners in all our activity. We are not painting the picture of Poland in rosy hues for the benefit of our young people. To continue the metaphor, the colors in that picture are perhaps less vivid but certainly more permanent. We have abandoned the philosoply of "the giving state" that was additionally reinforced by a wide range of promises. The numerous declarations which failed to stress the necessity for the young generation to be active did not stand any real chances of realization; on the contrary, they helped to shape consumerist attitudes. The feeling of dissatisfaction which followed in the wake of that phenomenon was further magnified by the lack of clearly defined mechanisms of social and professional promotion for the young people.

The resolution of the ninth plenum strongly stresses the fact of the young people and their organizations being regarded as partners in their own right. It also states clearly: "Every young person is the architect of his own fortune -- youthfulness is not a privilege, although it must not be a handicap." Thus the state will create favorable conditions, regulations, and principles, and the rest is up to the young people themselves. I think the young people are beginning to realize more and more clearly that to have a better life they themselves must contribute better and more effective work.

Question: A large proportion of the young people are either indifferent or downright hostile to the existing situation.

Answer: It is true that young people took an active part in the events which took place in Poland in the recent period. Let us say it openly: They were active both in constructive work and in manifestations of anarchy. Such a stance displayed by our youth had many different causes and these are now being analyzed and defined better and better each day. They derive both from weak points in the old system of instructing and educating the young people, together with the errors made in our economic and social policy, and from yielding to the false "advisers" fostering a mentality of opposition and supported by the antisocialist Western forces hostile to Poland.

The tumultuous political situation at the end of the seventies and the beginning of the eighties was obviously responsible for the fact that the civic awareness and civic attitudes of many young people were formed under the influence of the current events, in rather specific and historically abnormal circumstances. Many young minds hastened to evaluate those without any deeper historical reflection, without a sound analysis of the achievements and the errors. This gave rise to many incorrect conclusions which in turn resulted in frustration, apathy, and even cases of active rebellion.

The most painful thing in all this is the fact that in certain situations whole groups of young people were used as pawns in dishonorable political manipulations by the extremist forces hostile to socialism. But I will state this emphatically: This is only a fraction of the truth about Polish youth, not the whole truth. On the credit side there are millions of students, young workers, and young farmers who, by their active everyday work of fulfilling their duties, take an active part in carrying out the responsible task of leading the country out of the crisis and into the process of socialist renewal.

GUCWA, SINDERMANN SPEECHES AT ZGORZELEC RALLY

Gucwa Addresses Anniversary Rally

AU111112 Warsaw TRYBUNA LUDU in Polish 7 Jul 83 p 4

["Text" of Speech by Marshal of the Sejm Stanislaw Gucwa at the 6 July Polish-GDR Rally in Zgorzelec to mark the 33d anniversary of the Polish-GDR border treaty]

[Excerpts] Dear friends, esteemed guests: Today Europe and the world are facing the danger of nuclear confrontation and annihilation.

The present policy of the imperialist forces, which is getting more aggressive, is the source of danger to world peace.

The present U.S. Administration has decided that a favorable period has begun to renew attempts to subject the world to its hegemony. It is seeking to impose its diktat through military superiority and is spearheading its attack against the Soviet Union and the socialist community countries.

U. S. arms decisions amount to an appeal for a dangerous new arms race. NATO states are being drawn into this race, although it is against their national interests and the peoples continue to protest.

Using the methods of political and economic pressure and promoting political demagogy, the U.S. Administration is accelerating preparations connected with the stationing of Pershing II and cruise missiles in Western Europe.

To calm down the seething public, this administration is circulating false theories that it is possible to wage a "limited" nuclear war in Europe. Actually U.S. strategy is seeking to transform Europe into a U.S. nuclear staging ground and to turn West European countries into the hostages of imperialist policy.

Promoting the arms race and, at the same time, intensifying the danger of the outbreak of a global conflict and of the annihilation of life on our planet, the U.S. Administration has taken on an unprecedented political, economic, and ideological aggressiveness directed against the socialist countries.

The U.S. Administration has assigned Poland a special role within the global anticommunist strategy. Taking advantage of our difficulties and domestic tensions, it tried to turn our country into a warhead which, upon detonating, would obliterate the socialist community or at least seriously weaken its cohesiveness and defense potential.

The balance of power between the USSR and the United States -- between the Warsaw Pact and NATO -- has been a factor of peace in the world, which has been divided into two opposing camps during the past decades. The key reason for the present tension is the efforts of the U.S. Administration to question this balance and to achieve world domination.

The general negotiations between the USSR and the United States on disarmament and curbs on armaments have reached a stalemate because the United States is seeking to achieve one-sided military advantages. The position taken by the U.S. negotiators in Geneva, Vienna, and Madrid shows that the United States does not want to achieve accords, but rather seeks confrontation. It wants to use the negotiations in question as a smokescreen to conceal its true aims and aspirations from its own people and from the peoples of its NATO allies.

As is obvious from press reports, Chancellor Kohl, who is now visiting Moscow, continues to maintain the known position of the FRG Government on the stationing of new U.S. missiles. This bodes ill for the political climate on our continent. It is, therefore, with all the more force and resolution that we reaffirm our unshakable determination to preserve peace. Let us organize millions and millions of young Polish and GDR citizens under the banners of friendship and peace.

All the same, the Soviet Union and the Warsaw Pact countries will not relent in their efforts to save world peace and international detente.

The declaration of the Prague meeting of the Warsaw Pact Political Consultative Committee last January, the communique of the Warsaw Pact Foreign Ministers' Committee last April, and the statement of the Moscow session of the leaders of the Warsaw Pact countries on 28 June this year contain constructive proposals whose acceptance by NATO would be a crucial step toward detente.

Esteemed guests, it is no accident that the U.S. efforts to change the present balance of power between the Warsaw Pact and NATO are being accompanied by a revival in the FRG of those forces that some people still thought not so long ago to have left the political arena forever. The theories that seemed dead to us during the period of detente have also come back to life. Some 38 years after World War II you can again hear in the FRG the voices of those whom history has taught nothing.

They are again questioning the political-territorial reality imposed by World War II, but what they should do is remember the fact that within only a single quarter of the 20th century the German Reich twice questioned the actual political-territorial order, which unleashed World Wars I and II. The German Reich ceased to exist after World War II!

SED's Sindermann Speaks

AU111257 Warsaw TRYBUNA LUDU in Polish 7 Jul 83 p 4

["Text" of speech by Horst Sindermann, SED Politburo member and president of the GDR People's Chamber, at the 6 July Polish-GDR rally to mark the 33d anniversary of the Polish GDR border treaty in Zgorzelec: "Inviolable Border of Peace"]

[Text] Dear friends and comrades, I am grateful to be able to participate together with my friends, Marshal of the Sejm Stanislaw Gucwa, in this solemn rally of the young Polish and GDR people. I am very pleased that our good friend, Minister Stefan Olszowski, is also with us at this rally.

I am also pleased to be able to extend to all of you militant greetings from Erich Honecker, SED Central Committee general secretary and GDR State Council chairman.

"Marching to win happiness, peace, and joy...." Millions and millions of young people from all nations all over the world have continued to sing these words.

This joint rally of the free young people from the GDR and of the young people from People's Poland is also radiating the idea of peace, friendship, and happiness of the young generation. And the fact that this rally is taking place on the historic site on which the Polish-GDR treaty concerning the Odra-Nysa border was signed is of profound symbolic value.

The young Polish and GDR parliamentarians issued an appeal to the young people in Europe for peace and for the struggle in defense of the most sacred right of the young generation -- the right to live.

Today this right is being cynically questioned by U.S. politicians, who threaten to use nuclear power. It is necessary to deal a resolute rebuff to the preachers of the crusade against socialism, to the advocates of the first nuclear strike, and to the propagators of the horrible lies about the nuclear war that can be won. It is necessary to give this rebuff because such plans hatched by the Pentagon and the U.S. Administration are enemies of mankind.

The Most Noble Ideals of the Young Generations

These plans deprive young people of every prospect for peaceful development and a joyous future. The world can now see and hear that the seeds of revisionism are beginning to sprout from the morass of this inhuman policy. Unfortunately, responsible politicians in the FRG are beginning to commit themselves to this, although they should know the sufferings and sacrifices that such a policy has exacted from our peoples in the past. But let us keep our spirits. The darker the shadows thrown by the policy of the nuclear threat, the more intense for mankind the shine of the constructive policy of peace, nuclear disarmament in the West and in the East, and international cooperation, as reaffirmed not so long ago by the summit meeting of the Warsaw Pact countries. Does not the joint declaration issued in Moscow once again show in a convincing way the great compatibility between the demands of the world peace movement and young people's vital interests, on the one hand, and the peace of policy of socialism, on the other? Are not the young people in NATO countries most vitally interested in the most rapid ending of the arms race and in disarmament, primarily nuclear disarmament? The appropriate proposals which have been put forward by the forces of socialism are ready to be negotiated. We ask: Is it not in line with the most profound wishes of many young people in NATO countries, as well, to prevent the deployment of new American nuclear missiles in NATO countries and to reduce the numbers of medium-range missiles stationed in Europe?

The appropriate proposals to this end, which have been put forward by socialism, are also ready. We ask: Is it not in line with the vital interests of young people, including the young people in Western Europe, to freeze the nuclear potential of all the nuclear powers and not to deploy weapons in space?

Only madmen are able to support the efforts to extend the arms race into space.

Constructive Proposals Submitted by Socialist States

We are for setting up nuclear-free zones in Europe. Does not the fact that the heads of some imperialist governments regard such zones as threats to peace and the expansion of the military potential as a service to peace, contradict all logic?

On the occasion of the signing of our border treaty in the House of Culture in Zgorzelec, our unforgettable premier at that time -- Otto Grotewohl -- said that the treaty initiated a historic breakthrough in relations between our peoples because the Odra-Nysa border is an inviolable border of peace and friendship and an expression of friendship between Germany and Poland engaged in socialism construction.

In the past 30 years the friendship between People's Poland and the GDR has proved itself in all situations and the border of peace has become an enduring element of the true policy of peace of our two socialist states.

When today -- like 33 years ago -- the young people from our countries hold the fraternal meetings on the Goerlitz-Zgorzelec border bridge, they demonstrate a fact of great historical significance. The victory of socialism in our countries has left nothing to divide us and has produced everything to unite us -- the happiness of our peoples, the friendship between our countries, and strivings to ensure peace on our continent.

In Service of Peace

We representatives of the older generation are deeply moved by our friendship, which means that what the most prominent fighters of the German and Polish workers classes fought for and what Polish and German democrats, antifascists, and true patriots dreamed of and gave their lives for is becoming reality. Young people have no nobler ideals than friendship, peace, and the common struggle for the happiness of our peoples.

The great peace movement in Europe and throughout the world is proving that commonsense is still victorious among peoples. Moscow gave birth to the proposal that as of 1 January 1984 armament expenditures should not be increased and practical steps to reduce them should be taken. Is this not a sensible proposal, especially in view of unemployment and inflation in the NATO countries, in which grants and scholarships for schoolchildren and students are being cut back?

We are certain that the signals from Moscow are being heard: The forces of peace and commonsense will continue to be consolidated. They are invincible because they can rely on the mighty power of the Soviet Union and other socialist community countries and because the forces of the national liberation movements and the revolutionary workers movement in the countries of imperialism are behind this policy. The champions of force and of the policy of threatening to use nuclear weapons will suffer a disgraceful defeat. The defenders of humanism and peace will be triumphant. You young Polish and GDR friends who have ardently pledged on this historic site to fight for peace will go down as victors in the pages of history.

In this historic spot we cry: Away with imperialist warmongers! Long live peace and international friendship!

NEGOTIATIONS WITH USSR ON CULTURAL COOPERATION

AU111039 Warsaw TRYBUNA LUDU in Polish 7 Jul 83 p 2

[Text] PAP -- On 6 July, Witold Nawrocki, head of the Central Committee Cultural Department, received a delegation of the Ministry of Foreign Affairs of the USSR led by Valentin Korolev, deputy head of the Department for Cultural Cooperation With Foreign Countries, which arrived in Poland to discuss the draft intergovernmental plan for Polish-Soviet cultural and scientific cooperation in 1984-85.

W. Nawrocki stressed the importance of Polish-Soviet cultural cooperation and said that the draft plan in question reflects the strivings of the two sides to intensify mutual cultural ties.

CEAUSESCU SIGNS AGREEMENT, ENDS ETHIOPIA VISIT

Toasts Mengistu 12 Jul

AU130802 Bucharest AGERPRES in English 0616 GMT 13 Jul 83

["Toast by President Nicolae Ceausescu at Dinner Given by Chairman Mengistu Haile Mariam" -- AGERPRES headline]

[Text] Addis Ababa (AGERPRES) 13/7/1983 -- In his toast proposed at the dinner given for him on July 12 by the leader of Socialist Ethiopia, Romanian President Nicolae Ceausescu stated:

Our visit is an expression of the positive evolution witnessed by the relations of friendship and collaboration between our countries and peoples, an illustration of the joint wish to give them new, wider dimensions in the future. We are pleased to note that, in the spirit of the talks and understandings reached during the visit you paid to Romania in 1978 and of the declaration we signed then, the Romanian-Ethiopian relations have witnessed progress with every passing year, particularly on the economic, technical, scientific and cultural planes. Likewise there have been amplified the contacts and exchanges of experience between our parites, between the political and civic organizations in the two countries.

I am convinced that during the present visit and during the talks we have started today, we shall come to new understandings and find new ways and means for taking to a higher level the collaboration and cooperation between Romania and Ethiopia. We believe that all conditions exist for a wider development of the economic exchanges and mutually advantageous cooperation, particularly in such important domains as industry, geology, oil, mining, agriculture, energy, construction and others. This meets the interests of both peoples, and at the same time is a contribution to the cause of collaboration and peace throughout the world. The Romanian people welcomed warmly the revolution of the Ethiopian people that put an end to feudalism and to the imperialist domination and opened way to the county's independent economic and social development, to the passage to socialist construction. We are glad that the visit gives us a chance to know directly the efforts the Ethiopian people, under the leadership of the Commission for Organizing the Party of the Working People, have made for building a new, free and prosperous Ethiopia. As friends, we wish the Ethiopian people ever greater successes on the road of independent development and socialist construction.

In his toast, President Nicolae Ceausescu said that Romania was preoccupied with the current international situation which keeps being "very complex and dramatic". The unprecedented scope of the arms race which increases ever more the danger of a nuclear catastrophe arouses great worry, the Romanian head of state said, considering it now more necessary than ever that the peoples should rally their efforts and collaborate ever more closely for curbing the dangerous course of events toward catastrophe and war, for the resumption and firm affirmation of the policy of detente and collaboration, independence and peace. He stressed that the defence of peace and the prevention of war are the fundamental issues of our epoch, mentioning that the peoples of the world ever more energetically demand an end to be put to the arms race, and a passage to be made to disarmament, nuclear above all. We are for the freezing and cutting down of the military expenditure, for a balance of forces at a lowest possible level of arming, considering it to be in the interests of every people, of safeguarding every nation's life, freedom and independence, Nicolae Ceausescu said, adding: We pay great heed to halting the emplacement of the medium-range missiles in Europe, to the withdrawal and destruction of the ones in place, we campaign for a nuclear-free, united Europe of collaboration and peace.

We consider that conditions exist for the Madrid meeting to conclude the soonest this summer, and for constructive understandings and the convening of the conference on confidence-building and on disarmament in Europe to be reached pursuant to the general efforts of the participating states, to which Romania has made an active contribution. Mentioning that there are numerous disputed issues in today's world and conflicts and states of tension that can snowball at any time into military confrontations with most dramatic consequences for mankind, President Ceausescu said: Romania has firmly declared for the settlement of all these problems by peaceful means alone, by negotiations. It is in this spirit that we campaign for a political settlement of the Middle East issues, for the establishment of a lasting and just peace in the region, based on Israel's withdrawal from the Arab territories occupied in the wake of the 1967 war, on the recognition of the Palestinian people's right to self-determination and to the foundation of an independent Palestinian state, on ensuring the peaceful coexistence of all states in the region. At the same time we believe in the necessity of undelayed Israeli withdrawal from Lebanon, of the observance of Lebanon's integrity and sovereignty -- which would exert a positive influence on the situation in the Middle East in general.

Referring to the special importance Romania attaches to the relations with the countries in the African Continent, Nicolae Ceausescu stated: We support firmly these countries' struggle for the complete eradication of the imperialist, colonialist and neocolonialist policy, for the consolidation of national independence, and for self-dependent economic and social progress. We manifest our solidarity with and grant active support to the Namibian people that under the leadership of their legitimate leader -- the SWAPO [South West African Peoples Organization] fight against Namibia's illegal occupation by South Africa, and for the right to develop free and independent. We condemn most firmly the apartheid and racial discrimination policy and ask most energetically that an end be put to all aggressive South African actions against neighbour countries.

Considering that many other problems are still in need of solution in the African Continent, we believe that everything has to be done for strengthening the African unity, for solving the issues among the African states solely by means of negotiations. We appreciate the important role incumbent on the Organization of African Unity in solving these problems and creating conditions for enabling the states in the African Continent to devote their entire material and human potential to implementing the programmes of economic and social development of welfare and happiness.

Visits Planning Council

AU131551 Bucharest AGERPRES in English 1504 GMT 13 Jul 83

[Text] Addis Ababa (AGERPRES) 13/7/1983 -- On July 13, the second day of the official visit of friendship to Socialist Ethiopia, president Nicolae Ceausescu of Romania and Elena Ceausescu, accompanied by Mengistu Haile Mariam and Withro Webache-Bash were the guests of the Higher Council for Revolutionary Development and Centralized Planning Campaign.

The distinguished Romanian guests were informed about the organization of and activity carried out by the council, about its role in the development of Ethiopia and in the application of the programme for the country's socio-economic reconstruction. The Romanian head of state considered that the set development programmes offered possibilities for a large collaboration between Romania and Ethiopia.

Speaks at Textile Factory

AU131727 Bucharest AGERPRES in English 1708 GMT 13 Jul 83

[Text] Addis Ababa (AGERPRES) 13/7/1983 -- On July 13 in the morning, President Nicolae Ceausescu, accompanied by chairman Mengistu Haile Mariam, paid a visit to the "Akaki" textile enterprise.

In his address made at the meeting with workers at that enterprise, Romania's president showed that during the talks with the leader of Socialist Ethiopia "we agreed to develop broadly the collaboration between our countries". "In this framework," he said, "we wish to develop a close collaboration between Romanian and Ethiopian workers". President Nicolae Ceausescu invited a delegation of workers of the Ethiopian enterprise to visit Romania.

Expressing satisfaction at having met that "revolutionary collectivity who played a major part in the achievement of the revolution and of a passage to the building of socialism in Ethiopia", President Nicolae Ceausescu said: "40 years ago, Romania achieved the anti-fascist and anti-imperialist revolution of national and social liberation and successfully built the socialist society. In this respect, the working class played the decisive part as a vanguard detachment that rallied the whole people both in the revolution and in the building of socialism. We know from our own experience that it is only the unity of the working class, its revolutionary spirit and its action in unity with the whole people that can ensure the victory of socialism, the building of a better and more just system. We wish you to further work in a revolutionary spirit, strengthen unity round the party, and do so that the Ethiopian people may score ever greater successes in the building of the most just system-socialism."

Signs Trade Agreement

AU131932 Bucharest AGERPRES in English 1855 GMT 13 Jul 83

[Text] Addis Ababa (AGERPRES) 13/7/1983 -- During a ceremony held at the National Palace in Addis Ababa on Wednesday evening, President Nicolae Ceausescu and chairman Mengistu Haile Mariam signed a protocol on the development of economic and technical cooperation, and of commercial exchanges between Romania and Ethiopia. After the signing ceremony, Nicolae Ceausescu and Mengistu Haile Mariam congratulated each other.

The ceremony was attended by Elena Ceausescu and the other Romanian officials accompanying President Nicolae Ceausescu on his visit to Ethiopia, as well as officials of the host country.

Leaves for Zimbabwe

AU140821 Bucharest Domestic Service in Romanian 0800 GMT 14 Jul 83

[Text] Comrade Nicolae Ceausescu, RCP secretary general and president of the Socialist Republic of Romania, has ended the official friendly visit paid, together with Comrade Elena Ceausescu, to Socialist Ethiopia at the invitation of Comrade Mengistu Haile Mariam, chairman of the Commission for Organizing the Party of the Working People of Ethiopia and supreme commander of the Revolutionary Army of Socialist Ethiopia.

The high-ranking representatives of the Romanian people were seen off by Comrade Mengistu Haile Mariam, Comrade Withro Webache-Bash, and other Ethiopian leaders.

Comrade Nicolae Ceausescu took friendly leave of Comrade Mengistu Haile Mariam. Comrade Elena Ceausescu and Comrade Withro Webache-Bash, also took friendly leave of each other.

At 0900 local time, the presidential plane took off for the capital of the Republic of Zimbabwe, the second stage of the new mission of peace and friendship by Comrade Nicolae Ceausescu on African soil.

ANDREI MEETS ISRAELI FRIENDSHIP SOCIETY OFFICIAL

AU071804 Bucharest AGERPRES in English 1725 GMT 7 Jul 83

[Text] Bucharest AGERPRES 7/7/1983 -- Romanian Foreign Minister Stefan Andrei received on Thursday, July 7, Yitzhaq Korn, chairman of the Israel-Romania Friendship Association, now on a visit to Romania, when aspects of the association's activity and concerns were approached, with emphasis on its contribution to the development of the friendly relations between the two countries and peoples.

GIOSAN, OTHERS MEET COLOMBIAN SENATORS

AU071803 Bucharest AGERPRES in English 1723 GMT 7 Jul 83

[Text] Bucharest, AGERPRES 7/7/1983 -- The delegation of Colombian senators led by Zamir Silva Amin, vice-chairman of the senate's Third Commission for Economic Development, now on a visit to Romania, were received on July 7 by Nicolae Giosan, chairman of the Grand National Assembly.

During the interview, information was exchanged on the activity and concerns of the legislative fora in the two countries. The joint wish was expressed to expand and diversify the bilateral relations on multiple planes, with emphasis on the role incumbent on parliaments and parliamentarians to stimulate the relations of collaboration and cooperation for the benefit of both peoples. The contribution was also highlighted that the parliaments and parliamentarians can make to a climate of peace, security and detente worldwide.

The same day, the Colombian guests had interviews with Maria Groza, deputy minister of foreign affairs, and Paula Prioteasa, deputy minister of foreign trade and international economic cooperation. Aspects were approached of bilateral relations, with emphasis on the possibilities of developing the Romanian-Colombian economic collaboration and the cooperation on an international plane in matters of mutual concern.

PLANINC TAKES UP ECONOMIC ISSUES AT BAR RALLY

AU121940 Titograd Domestic Service in Serbo-Croatian 1109 GMT 12 Jul 83

[Speech by Milka Planinc, president of Federal Executive Council, at mass rally held in Bar in connection with reconstruction of port of Bar and completion of second stage -- live; relayed by Belgrade radio]

[Text] I am really pleased at being able to celebrate together with you this great holiday, a holiday for not Bar alone, but also Montenegro as a republic and Yugoslavia as the federative socialist community.

Four years ago, in April 1979, a disastrous earthquake destroyed the port of Bar's installations, as well as many other important economic, cultural-historical, and housing buildings on the territory of the SR of Montenegro. This was not that long ago. We remember that all working people, citizens of Socialist Yugoslavia, headed by Tito, were then directed toward you, to you Montenegrin comrades, with the great hope that with joint efforts we would very quickly reconstruct what nature had destroyed.

These last 4 years were not easy. Our economic situation in this period has been rather difficult. However, the consequences of the disaster, the consequences of the earthquake, were a joint concern, a joint work of solidarity by all Yugoslav peoples and nationalities, who had shown their readiness to help. This is what is most valuable. Once again, it had been demonstrated that our system of socialist self-management, our relations of brotherhood and unity stand the test when it is most difficult for people. A friend in need is a friend indeed. This had been demonstrated on that occasion also. [applause]

Although these past 4 years were difficult for the entire country, solidarity yielded its results. With the efforts and self-denials by all of Yugoslavia, particularly by you, Montenegrin comrades, the workers of the port of Bar in particular, as well as the organizers of work in the commune of Bar and all other listed and unlisted experts and workers from throughout Yugosalvia, one of the largest economic projects in our country has been reconstructed, advanced, and modernized, a project of vital importance for a more rapid economic and socialist development of Montenegro, an important communication project for a large area of Yugoslavia that gravitates to it, a project important for the economy and people and, together with the Belgrade-Bar railroad, one of the strategic economic projects for the future of not this region alone.

Comrades, I congratulate you most cordially on this great victory, on this great working success of all those who participated in it, on this great construction undertaking, which here in this place has created and built one of the largest ports in the Mediterranean. Above all, my congratulations on the great human solidarity of the brotherhood and unity of all peoples and nationalities of Yugoslavia, our self-managing system, brotherhood and unity that refreshes us today also under new conditions, a unity that was demonstrated by arms in hand during the war in the struggle against the enemy, which is today being demonstrated by building together the destiny of Tito's Yugoslavia, by uniting the interests of working people throughout the country. [applause]

Let this great undertaking also be an impetus for activating all our material, working, and general human potentials for the successful progress of our country, for a quicker way out of serious economic difficulties in which our country has found itself, for a quicker solution of enormous problems in which the economy of the SR of Montenegro has also found itself.

Comrades, workers of the port of Bar and of Bar Commune, I wish you many further successes and progress in every respect. [applause] These wishes and greetings are expressed neither as a form of protocol nor for this celebration, but rather are expressions of deep joy and conviction that every success and achievement in any part of our country strengthens those forces of ours that we badly need; they strengthen our opportunities and they also strengthen our obligations to utilize with all our strength and better what we already have, what has been built throughout our country. This mobilization and these extreme efforts are very necessary so as to contribute to a way out of the world economic situation, in which, just as the rest of the world, our country also finds itself.

We have discussed this difficult situation recently in the SFRY Assembly. We have adopted the necessary measures for the immediately present situation in order to create the conditions for a gradual way out of the dangerous circle of economic crisis, for overcoming the country's illiquidity abroad, which weighs heavily upon us. It is a great thing that we have achieved unity in assessing the situation and the direction for a way out, a unity of all peoples and nationalities of Yugoslavia. I must say that it would be easier had we achieved this unity in assessing our situation, a unity in action, so firmly a few years ago. However, we are now in this situation. It is not the first time that Yugoslavia has been in trouble. Yugoslavia has the strength. It will find it and it will also find a way out of the circle in which it is now. [applause]

With our work in the Assembly, we have performed a part of our task -- I would reiterate, an easier part of our task. Soon the SFRY Assembly will discuss and adopt the long-term stabilization program of our country, a program on a way out of the difficulties and disturbances that have been accumulating for years. Not only this, but more than this. This is a program for indispensable, deep, structural changes, changes in social relations that should advance Yugoslavia as a socialist, self-managing community, to a higher level of development, where much of that which now exists only as a potential throughout the country will be realized and will yield far greater results than now.

The stabilization program that we will adopt soon has its material dimension. This program should strongly mobilize all our working people and citizens, all economic subjects of this country, ranging from the basic organization of associated labor to the federation, to have an impetus in directly motivating the workers, the producers, from the basic organization of associated labor onward, for greater productivity by labor, for a greater contribution to production and income, for a greater contribution to progress. We must delimit our attitude toward those who should be helped to find their bearings and reach that level of development so as to be able to advance from those who do not have a responsible attitude toward the social funds they control, and we must find ways to organize the organization of associated labor in a way in which social capacities will be fully utilized.

The program of economic stabilization also means a decisive break with voluntarism, with planning and projecting ambitions that have no economic or material basis. The past has taught us that disrespect for economic laws, excessive expenditures, have to be paid for sooner or later. As Comrade Tito frequently used to say, we have to cut the coat according to the cloth. The fact is that in recent years, in view of using the accumulation of the world, as well as using funds within the country, we have lived somewhat higher and more comfortably than has been the real income of producers.

Great and deep changes must occur in this respect. Everyone should take his place. Everyone should make his calculations, check his production programs, check the programs adopted by the delegate assemblies, ranging from the commune to the federation. With full ambition for as rapid progress as possible, we should advance according to economic laws because, as you know, these laws are very brutal. If one does not recognize and acknowledge them, these laws will operate by themselves; if we throw them out through the door, they will return through the window. [applause]

The stabilization program, therefore, means a maximum utilization of what this society has created thus far, and this is not little -- it is enormous. It means to coordinate our plans and ambitions with our great opportunities, and even more than that. The stabilization program also has its social dimension. We must eliminate the disturbances that have arisen in the past years by further developing socialist self-management and Tito's road. In this recent period of the incomprehensible [nedojetan] -- to express it this way -- in both administrative and restrictive measures, the essence of the stabilization program is to return to the flourishing of self-management, as we had in the seventies, following the adoption of the Constitution and the Law of Associated Labor. All facts clearly show that both the material and social disturbances have occurred precisely in those places where self-management has not developed, where it has remained only in its organizational forms.

This applies to expanded reproduction, through the banking system and other relations; this applies to expenditures that are decided through voting in the sociopolitical communities, both as regards expenditures for social activities as well as public and common expenditures. Therefore, this does not mean that we will only implement measures so as to reduce all this within the limits of realistic frameworks of social income. Rather, it means that we must do this in such a way that self-managers will carry out this coordination of both the volume and purpose of the social resources that they manage in the organization of associated labor and through the delegate system as a whole.

Our aim is not restrictions by themselves. Our aim is to encourage every producer to produce more and to have more, both through his personal income as well as through social activities and other activities that assure his standard of living. For this reason, we must bring him into direct relationship and contact with all social distribution, both for investments as well as for public and common expenditures.

From the situation where we now are, when I simply say that the state is keeping order with many measures among the producers and in production relations, we must, through the stabilization program, the development of self-management, and through the delegate system, come into a situation in which the self-managers, workers in associated labor organizations, work organizations, and composite organizations will manage the overall social resources and keep order in their communities and their state.

For this purpose, we need (? mobilization and) unity. Why is this necessary, comrades? It is necessary because [words indistinct] in what economic situation we are and the strategic changes that we must (? implement). The worst part [words indistinct] and further progress, further strategic changes in the material development of social relations must be felt in every cell and in every individual.

The adoption [words indistinct] of the stabilization program in the Federal Assembly will also demand an operative plan and program by every associated labor organization,

every commune, every republic, and the federation as a whole, not only by management organs but also the subjective factors headed by the LC, without which such a complex social and political task cannot be successfully carried out.

Comrades, I call on you, in the same way that you constructed this port with spirit, with great strength and mobility, so that in 2 years you created such a project, out of something that had been destroyed to its foundations, to begin these complex tasks where workers and associated labor organizations all over Yugoslavia should unite and build their brotherhood and unity on their present tasks just as we built them during the war on tasks of a different nature. [applause]

I want to tell you that Yugoslavia has a great capital. From the years of the national liberation war, from the years of socialist development, the struggle for founding and developing the Nonaligned Movement, with Tito at the head, it has a great capital. It has many reasons to protect it, and to struggle in order to protect it.

This country does have friends throughout the world. Of course, the closest ones and the ones most similar in the struggle are in the Nonaligned Movement, the developing countries, which are a part of the world to which we belong. In the example of Yugoslavia they find inspiration for their struggle, the struggle for their own independence, and for their right to an independent and free road for development.

But Yugoslavia also has friends in all other parts of the world, irrespective of systems and relations. This has been demonstrated at this time of economic troubles, when representatives of many countries tell us that the problem of Yugoslavia is not only a Yugoslav problem, but a common problem. We have to build this friendship. We must protect our right to independence and freedom, our right to express our opinion to everyone, big or small, governments or individuals, even when in disagreement. We have to build those bridges that connect us with peoples of all countries of the whole world. What joins us is an interest in peace. All peoples want peace. What joins us is an interest in the future of this world, because we are all interested in what that future will be like. We want bridges and a further promotion of relations with all peoples of the world so we can further build and develop Yugoslavia and its capital that remains from the policy we built together with Comrade Tito, with Tito at the head. [applause]

In these difficult economic conditions and conditions of crisis -- the crisis which has spread over all world regions -- we are also having a difficult time and we can endure this only through Tito's policy. Disturbances and crises have spread over even the most developed part of the world. There are recession, unemployment of millions of people, protectionism, and a search for ways to solve problems internally by the closing of economies.

On the other side, the undeveloped part of the world and developing countries -- the most numerous part of the humanity -- is up to its ears in debts that are currently reaching nearly $700 billion, with no chance to achieve conditions for repaying them, no chance to quickly enable themselves, in their economic development, to become normal, equal economic partners in the world. A new world is being created; it is here but some refuse to see it. Merely a market for the most developed countries, and economic object until recently, this part of the world has suddenly become a subject of concern to the world economy and demands equal attention.

It shows that the logic of international economic relations, the logic of bare profits that only waits for interest and repayment of principals, cannot build relations in today's world.

The developing world demands equal relations. In order to achieve them it has to enable itself, relying on its own forces, to join the international division of labor; it has to strengthen its forces but also find its place in the international economic community.

This truth, comrades, penetrates with difficulty, but it does penetrate. It is more and more obvious that no one, including the most developed and richest countries, can solve his problems alone, within his own framework, any more. The world is interdependent, which was best demonstrated recently at the Sixth UNCTAD Session in Belgrade, where it was clear how deep a gap exists both in the approach and the real interests if we take a short-term view of them. However, it was shown that even here, despite so deep a gap and differences, points of agreement are found in order that the work can be continued, since without such cooperation, equal cooperation, this world cannot survive.

Political relations in the world are very complex and difficult. Of course, all political relations burden economy and do not allow it to develop according to its logic. The relations between the leading powers in the blocs are especially aggravated. There cannot be detente and equality in which the small countries would participate when relations between the great ones are so tense and critical. There are the arms race and the missile competition that are opposed to the peoples of the world who demand peace. The world map does not look at all good at this moment.

If you follow current events, you can notice that the right to what they call defense or protection of the vital interests of the big powers is being more and more legalized among them, of course at the expense of peace, at the expense of independence and progress of the small countries, especially the independent and nonaligned countries. Because of such relations it is more and more difficult, not to say impossible, to solve many existing problems of the world, many hotbeds of crisis and war. On the contrary, fresh ones are always arising.

A clash between countries in any part of the world finds no solution based on the right of every people to decide its own fate if the question arises of whose interests are involved and who is supposed to defend them, for the peoples are then (?dragged) into the sphere of interests of the big powers. In such a complex world situation, cooperation, detente, and understanding are not yet to be seen. What else is left to us but to persevere in our nonaligned and independent policy, in our involved world policy, together with all the peoples of the world who are interested in peace and progress, and relying on this struggle, being convinced that reason will prevail?

Under such circumstances the objective necessity arises even more of continuing and developing our overall policies, the policy of socialist self-management, brotherhood, and unity of the peoples and nationalities of Yugoslavia, in the internal field. This is a guarantee that with joint forces we will master even this difficult situation in our country.

Comrades, this will last a few years. We shall persevere if we are united, if we rally our ranks, if we know what we want. [applause]

Just as during the war when we broke out of encirclements under the most difficult conditions, when it appeared that there was no way out, just as we broke out of the encirclement of economic and political blockade in 1948, together we shall emerge from this very difficult economic situation now with even closer ranks and unity.

Comrades, I congratulate you on your work victory. [applause] May this port operate successfully. I congratulate you on our common holiday tomorrow, the Uprising Day of the peoples and nationalities of Montenegro. Long live brotherhood and unity of all the peoples and nationalities of Yugoslavia.

ASSEMBLY COMMITTEE ADOPTS DRAFT BUDGET

LD131952 Belgrade TANJUG in English 1734 GMT 13 Jul 83

[Text] Belgrade, July 13 (TANJUG) -- A committee of the Federal Chamber of the Assembly of Yugoslavia on Wednesday adopted a draft annual balance sheet of the federal budget for 1982, giving the go-ahead for its final adoption.

Delegates warned however that in future the procedure in adopting budgets must be changed to avoid the accumulation of unsettled legal and other liabilities.

They approved a Yugoslav Government proposal for distributing a surplus of budgetary funds of 1.16 billion dinars (91 dinars to the U.S. dollar) which, it was said, covers the expenditure already incurred.

Out of this sum, a total of 150 million dinars will go to the economically underdeveloped republics (Bosnia-Hercegovina, Macedonia and Montenegro), 400 million to the Federal Secretariat for National Defense, more than 270 million to the Federal Committee for Transport and Communications, 36.5 million for equipment for radio-Yugoslavia, 6.5 million for research and development activities, 49.2 million to the Federal Secretariat for Foreign Affairs for the financing of the UNCTAD session, etc.

The committee also discussed federal property. It was stressed that restrictions in the management of this property have also been introduced. The federation will place a number of its facilities at the disposal of the republics and provinces as well as some enterprises, and will retain only a small number for the requirements of the state.

ANTIEMIGRATION MEASURES CALLED UNSUCCESSFUL

AU131831 Belgrade BORBA in Serbo-Croatian 8 Jul 83 p 2

[Djoko Kesic commentary: "Action Undergoing Repair"]

[Excerpts] Along with the assessment that the political-security situation in Kosovo is increasingly more favorable day by day, there is also a second assessment, that there are still no conditions for creating a climate of complete confidence, security, and prospects for the further life of citizens of non-Albanian nationality. In other words, Serbs and Montenegrins continue to emigrate from Kosovo in alarming numbers.

This controversial aspect of the report of the Federal Executive Council on the emigration of Serbs and Montenegrins from Kosovo under pressure provoked an exhaustively long debate in the SFRY Assembly 2 days ago, in which 16 delegates participated. Some 28 months have passed since the overt counterrevolution broke out in Kosovo, and during this period we have invested many efforts, through political, economic, and other channels, to suppress the activity of nationalists and irredentists.

In this struggle for Kosovo there have been also some unacceptable theses, like the one that the Yugoslav "policy of a more rapid development of Kosovo contains concealed elements of a new colonization of Kosovo," which has also been accepted by a part of the provincial leadership, or that other thesis with which it is proved that the "period of 28 months is not sufficient to eliminate the causes of emigration." This simplification of Kosovo's problems at least works to the advantage of Albanian nationalists and irredentists. An accelerated economic development of the province is quite certainly the sole way to reduce the deep social difference with which we would also certainly resolve some other dissatisfaction.

The process of cancelling sales contracts of real estate belonging to Serbs and Montenegrins, contracts concluded in an atmosphere of personal and property insecurity, under various forms of pressure, also has not begun. The Kosovo Assembly has not yet adopted a legal act that would annul these contracts.

No answer was given to why land was taken away from farmers in Cornja Brezovica, only to be sold for construction of weekend houses, while on this very land farmers were not allowed to build houses. Why were 55 families in the Gazivoda Region thrown out of their houses in the middle of winter and housed in cellars and barracks much earlier than the filling of a reservoir began? Why has no compensation been made to Serbian and Montenegrin families for the material damage caused in the 1981 demonstrations? Why have no measures been taken against certain members of the LC for whom it has been established that they exerted pressure on Serbs and Montenegrins to emigrate? In the end, let us add the still unclarified dilemma as to whether the present Albanian flag was also the sign of Kosovo partisans in the national liberation struggle.

The impression is that all these, and many other facts, created a rather great psychosis of uncertainty.

It is evident that the measures we have taken are insufficient, and for this reason the conclusions adopted at a session of the SFRY Assembly Federal Chamber are not sufficient. These conclusions do not indicate any new and better solutions, but rather that everything is being left to those tested and inefficient ones.